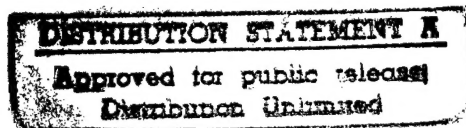


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# USSR Report

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13 January 1983

## USSR REPORT ECONOMIC AFFAIRS

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## INVESTMENT, PRICES, BUDGET AND FINANCE

### ON BALANCING MONEY SUPPLY WITH GOODS

Moscow EKONOMIKA I MATEMATICHESKIYE METHODY in Russian No 5, Sep-Oct 82  
pp 784-798

[Article by V. D. Belkin: "On A System of Measures To Ensure Commodity-Money Balance"; passages enclosed in slantlines printed in italics]

[Text] Among the chief problems at the 26th CPSU Congress was the problem of balance. The report on the Basic Directions of the Economic and Social Development of the USSR indicated, "Balance of the national economy should be promoted by raising the level of scientific substantiation of plans. Price formation, credit and financing must be improved by strengthening planned management of the economy." ("Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, Politizdat, 1981, p 126). The scope of measures to ensure balance of the national economy must be determined on the basis of the importance of this problem.

The following aspects of balance may be distinguished: between production and its material security; the output of products and their use in productive and nonproductive consumption and saving; saving and capital investments; capital investments and capacities, capacities, labor resources and products; between demand for imported products and export, which provides the foreign exchange necessary for this; between monetary revenues and their material offset).

The balance between total revenues (minus normal growth of savings), i.e., effective demand as a whole, and the entire amount of goods and services to offset it (in monetary terms) is customarily called volumetric balance, and that between effective demand and supply for each good or group of goods--structural balance.

Balance may be quantitatively evaluated. Let us introduce the index of the level of balance for this purpose. From first principles it may be defined as the difference between one (absolute balance)

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\* In the order in which the question was presented.



and the coefficient of imbalance  $K_n$ , which is calculated as its ratio in absolute terms to one of the balancing values or to their average. Thus, quantitative evaluation of (volumetric) commodity-money balance may be given using the formula

$$U=1-K_n=1-\frac{D-S-T}{(D-S+T)/2}=1-\frac{2(D-S-T)}{D-S+T},$$

where D is the volume of monetary revenues; S is the normal increase in savings and T is the material offset of revenues (goods and paid services).

The ratio between monetary revenues and their material offset is, in our opinion, the most important aspect of balance. The indicated ratio, as a whole and in sections I and II of the subdivisions, has a central place in K. Marx's theory of social reproduction. V. I. Lenin indicated that the problem of the ratio between I (v+m) and II c also persists under communism.

Balance between money and goods, important in itself, serves as the fundamental principle of almost any other balance and vice versa: disharmony between them results directly or indirectly in disturbance of its other aspects.

Methods of quantitatively evaluating the direct influence of commodity-money imbalance on the indicators of the efficiency of national production are presented in (1). More important, however, is its indirect influence, which it is by no means always possible to quantify. It consists of the following.

A lack of goods and services to offset wages weakens the economic incentive to increase labor productivity. A shortage of material resources compared to the amount of monetary assets (including those in cash form) results in interruptions in enterprises' material supply. This causes work stoppages and disturbance of good organization and production regularity. Disparity between financing and material security lengthens the time required to build new capacities and make them operational, and this reduces the effectiveness of capital investments. When effective demand exceeds supply, the consumers' influence on production and their demand for product quality are weakened.

Disturbance of commodity-money relations gives rise to tendencies to naturalize relations in the national economy, slows down the progressive process of the social division of labor and interferes with the effectiveness of production specialization. As a result, attempts at self-sufficiency and at maximum possible independence from foreign supplies are planned, and technically inadequate, multipurpose enterprises are built instead of specialized, advanced and highly productive ones (2, p 50). Under conditions of commodity-money

imbalance, bureaucratism and order of precedence, which emerge as a peculiar type of naturalization of economic relations, are displayed in their worst forms.

The negative effect of commodity-money imbalance on scientific and technical progress is well known. When effective demand is unsatisfied, obsolete and technically defective products find a market, and consequently there is no incentive to update the product assortment, to develop and manufacture new products, or consequently, to use the results of scientific research and developments in production (3).

Commodity-money balance is especially important for normal functioning of the economic mechanism. As K. Marx showed, commodity-money balance is a necessary condition for the operation of economic laws. He wrote that these laws are realized only when supply and demand are balanced (Marx, K. and Engel's, F., "Soch." [Works], Vol 25, Ch 1, p 208). Formulated to fit a capitalist economy, this thesis of Karl Marx is acquiring especially great significance under socialism, for, in contrast to the element of capitalist production, the development of a socialist economy is a controlled process conforming to a plan, and the success of this process depends on knowledge and optimal use of its objective mechanisms.

The literature correctly indicates the importance of balance for the transition of the economy to a predominantly intensive path of development and stresses the most important role of commodity-money balance (see, e.g., [4, 5]). In our view, considering its current status and role, it is necessary to develop and realize a complete program of large-scale measures directed at achieving and maintaining both volumetric and structural balance. Such a program should completely cover the triad of commodity-money balance--goods, money, prices--and provide for the solution of the problems examined below.

#### Planning On the Basis of Effective Demand

As the key component in the economic mechanism of the socialist economy, planning occupies central place in the proposed system of measures.

In order to ensure commodity-money balance, the plan must organically link all goals and indicators with the monetary income of the population, enterprises, collective farms and the state. This will also mean orienting it towards ultimate national economic results. Under market conditions, public demand to be satisfied acts as effective demand, which is determined by the volume and structure of incomes.

A similar planning principle has been adopted for light industry. The decree of the CPSU Central Committee and USSR Council of Ministers of 22 April 1974 "On Certain Measures to Improve Planning and Economic Stimulation of the Production of Light Industry Goods" provides for preparing this industry's production plan in accordance with commercial orders and, therefore, with the population's effective demand. The

indicated principle does not, however, apply to raw materials and materials for light industry or, incidentally, for other industries. This reduces its effect on the final stage of production to zero (6).

As Comrade L. I. Brezhnev indicated in his speech at the October (1980) CPSU Central Committee Plenum, "the state of affairs in Group "B" cannot be corrected by isolated, partial decisions. It is necessary to develop the production of goods for national consumption on the basis of well thought-out, long-term programs, capable of combining the efforts of all industries, on which this depends... The system for planning and financing these industries must be improved, putting them in strict dependence on commerce and on the consumer" (Brezhnev, L. I. "Rech' na Plenum TsK KPSS 21 oktyabrya 1980 goda" [Speech at CPSU Central Committee Plenum 21 October 1980], Moscow, Politizdat, 1980, p 8).

The proposal to formulate the plan on the basis of effective demand should not be understood as meaning that monetary revenues could be established arbitrarily, and then their offset planned. Of course, an increase in monetary revenues must itself be planned as national production increases. But at the present time, it is primarily a question of offsetting revenues already paid, as well as revenues set aside to purchase savings, i.e., already formed effective demand.

In order to ensure balance and proportion of the economy, the role of planned balance of the national economy must be increased. It must be given the status of a top level plan and be reviewed and approved as a state budget. Without balance at the top level, balance cannot be achieved in any subdivision of the economy, no matter how important.

Formulating the plan on the basis of revenues assumes the realization of this principle primarily through development of planned balance of the national economy. For this purpose, comprehensive financial balances coordinating revenues and their material offset must be included in it. The decree of the CPSU Central Committee and USSR Council of Ministers of 12 July 1979 provides for the development of financial balances, both long-range and current, at all levels of planning--the national economy as a whole, the industry, association, enterprise. Balance of monetary revenues and their material offset not only as a whole but with respect to types of revenues and commodity groups should be recognized as an unalterable feature of the plan. More thorough development of the balance of the population's monetary revenues and expenditures, both for the entire national economy and for the union republics and economic regions is acquiring an especially important role. At the present time this balance is being developed both with respect to the population and the goods turnover as a whole. Meanwhile, it must be formulated from groups of worker families differentiated on the socio-demographic principle and by the level of revenues per family member and also by combined commodity groups.

A necessary condition for balanced development of the national economy is well-timed and sufficiently complete recalculation of the plan

according to economic conditions. For this purpose, the national economic plan, and especially the top level plan, must be developed on the basis of a dynamic model, making it possible to perform such recalculations of it in a short period of time. What has been said in no way means that the principle of plan stability has been called to question or that adjustment of it is justified. It is a question of minimizing losses from nonfulfillment of plan goals, if for some reason or other it has taken place.

The "revenue-goods" dynamic material-financial model (7) developed at the USSR Academy of Sciences Economics Institute may be used to realize the proposed planning principles. In distinction from intersectorial balance, which basically characterizes material and physical relationships and proportions, this model presents financial and distribution relations in detailed form. Every type of revenue is matched with a material offset--finished products and services. During the first stage of calculations, the production volumes necessary for this are determined in all sectors of the national economy, as well as supplies for imports and the exports to secure them. As a result, the volumes of additional production of goods and services, as well as the creation of needed capacities are identified. The increase in revenues resulting from the additional production and construction must in turn be provided a material offset; this requires a new cycle of analogous calculations, etc. Ultimately the iterative process tallies, and balance is achieved between effective demand and its material offset. During the calculations, the original planning of the structure of revenue balancing may be refined and corrected, and the deadlines and sequence for achieving balance are set according to revenue types and as a whole.

#### Improving Financing and Credit

In order to ensure (volumetric) commodity-money balance, measures must be taken to limit the entry of monetary resources into the national economy through the real needs of the economic turnover. In his time, I. S. Malyshev, who worked for many years as the deputy director of the USSR Central Statistical Administration, pointed out the surplus of monetary resources: "The excess in the amount of money in circulation (in the form of available money as well as credit) over aggregate material resources in circulation is the disproportion, which up to now has had the most negative effect on the progress in expanding reproduction in our national economy" (8, p 21). Since the time the cited work was published, the gross national product and national income have doubled, and the volume of noncash payment transactions has increased 2.5-fold; the total amount of deposits by the population in savings banks has increased five-fold (estimated from [9, p 44, 597; 10, p 37, 408; 4, p 10]).

The main channels for the entry of excess money into the economic turnover are: crediting wages essentially for showing up at work and not for real work results, the awarding of undeserved bonuses, remuneration

for forced work stoppages, production of unsold products, direct losses, above-norm duration of construction.

The scale of the entry of surplus money through these channels may be judged from the following facts. Intra-shift paid work stoppages at a number of industrial enterprises is as high as 15-20 percent of all work time ("Materialy XXIV s"yezda KPSS" [Materials of 24th CPSU Congress], Moscow, Politizdat, 1971, p 143). They are still greater in some construction organizations. Every year no less than 25 percent of fruits and vegetables spoil without reaching the consumer (11, p 110). Losses and waste of rolled ferrous metal products comprise 20 percent of their total production volume (see "Materialy XXVI s"yezda KPSS" [Materials of 26th CPSU Congress], Moscow, Politizdat, 1981, p 39). Ten percent of transported cement and brick and 17 percent of mineral fertilizers are lost in transport (12, p 90). Losses of commercial lumber are 50 percent of the total volume of its procurement (13, p 73). The actual duration of construction of production capacities has, on the average, been 1.5- to 2-fold greater than the norm for many years now (14, p 6; 15, p 37), and this means that during a period exceeding the normative construction period the national economy suffers losses instead of the expected results--the production of the rebuilt enterprises.

Both payment for work stoppages and expenditures on products which did not reach the consumer, as well as the costs connected with above-norm duration of construction--all this results in the saturation of the national economy with money which has no corresponding goods offset. Meanwhile the credit-finance system not only is not offering any real deterrent to such saturation, but in a number of cases is objectively facilitating it. Even when the enterprise lacks funds, the bank almost always gives money for wages, regardless of whether actual work or downtime is being paid for. In compliance with the prevailing legislation, the bank settles accounts with the producer for products supplied by him to an insolvent consumer by the extension of credit for 60 days (5, p 35). It was noted in the press that this credit is by no means always liquidated and that liquidation is far from timely. But despite this, to the extent they appear on his current account at the bank, the funds received by the supplier again serve as a credit resource; credit generates credit (5, pp 35, 36).

The matter is aggravated by the fact that, as a rule, with this method of payment, as well as in many other cases, accounts are settled by subsequent acceptance. Settling accounts for goods entering retail trade from wholesale are also a peculiar form of this. The bank extends credit for these goods, including the turnover tax sent to the state budget. As a result, the producer is freed of the consumer's control, and if the goods turned out do not sell, surplus money--moreover, considerable amounts--remains in the budget and with the population. For example, after all discounts, R 3-4 billion of unmarketable and shopworn goods accumulate in trade every year (16, p 94). At the same time, the entire amount of deposits by the population serves as a credit



resource for the bank, despite the fact that a considerable part of it is pentup demand, attributable to the absence of needed goods.

Measures to stop the excessive influx of money into the national economy are also needed in the field of finance and credit. The money turnover and loan resources must be brought in line with the economy's actual requirements; this is a necessary condition for achieving and sustaining commodity-money balance.

#### Transition to Planned Balance Prices

Prices should be based on the requirements of commodity-money balance. In his time, V. V. Novozhilov wrote, "a shortage of goods is a sign that prices are too low. If, at the same time, the shortage of goods includes all major groups of goods, this means that the entire price level does not correspond to the monetary side of the national economy (17, p 52). In order to ensure this correspondence, prices must balance effective demand and supply and, moreover, not merely as a whole but for each commodity.

Meanwhile, many economists contrast to this function of prices their basic purpose--to serve as a monetary expression of socially necessary labor expenditures. In fact, the contradiction here is imaginary. K. Marx regards socially necessary labor expenditures reified in a specific good not only as a function of its production, but also as a function of society's requirements for the particular good.

"The share of the aggregate amount of work time expended in a given production sector, in total work time at society's disposal, may be lower or higher than the correct relationship despite the fact that each share of the product contains only the work time necessary for its manufacture or despite the fact that each share of work time expended was necessary to create the share of aggregate product corresponding to it.

"From this point of view, necessary work time acquires another meaning. The question arises: in what amounts is necessary work time itself distributed among the different production fields... If too much social work time is expended in some sector, then the equivalent may be paid only to the same extent as if the correct amount had been expended. Hence, the gross product, i.e., the value of the gross product, is then no longer equal to the work time contained in it but to what would have been proportionally expended if the gross product of the given sector were in the proper relation to the production of other fields" (Marks, K. and Engel's, F. "Soch." [Works], Vol 26, Ch I, p 220-221).

It follows that, if the distribution of the entire amount of labor between sectors corresponds to the ratio of public demand for the products of different sectors, then socially necessary expenditures of it on the production of specific products are in fact identical with the social cost of reproduction. If, however, the production of the

products of a given sector A exceeds public demand, then the indicated identity will no longer exist. In this case, socially necessary labor expenditures are determined on the basis of public demand for the products of this sector. The expenditure of labor used to produce that portion of the production of sector A which exceeds public demand is not socially necessary.

The opposite claim is also true. If the amount of labor used in sector B is inadequate, and the production volume is less than the public demand for the products of the particular sector, then socially necessary expenditures will prove to be higher than the social cost of reproducing this product. As K. Marx pointed out, such an interpretation of socially necessary labor expenditures--taking public demand into account--"is only a more developed expression of the law of value in general, although," Marx continues, "here necessary work time acquires /a different meaning/." (Marks, K. and Engel's, F. "Soc.", Vol 25, Ch. II, p 186) (emphasis supplied--V. B.) In "Surplus Value Theories" K. Marx gives the example of estimating socially necessary work time in this other sense. To the extent that effective demand serves as a monetary expression of the volume and structure of public demand, the amount of socially necessary work time for production of goods is also determined in this example by effective demand (see Marks, K. and Engel's F. "Soch.", Vol 26, Ch I, p 221).

Thus, socially necessary labor expenditures are reflected to the greatest degree by precisely those prices which best balance supply and demand. What has been said by no means contradicts the unalterable truth that social production costs should be the basis for prices.

Analyzing both definitions of socially necessary costs--in terms of production conditions and consumption conditions--V. V. Novozhilov gives the following equation, which characterizes the amount of socially necessary costs when the distribution of labor among sectors is proportional to public demand (18, p 368)

"Labor necessary with respect to production conditions	equals	Labor necessary with respect to consumption conditions."
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As applied to commodity-money relations this formula may be treated as an equation between the social costs of production and prices; it being satisfied only when effective demand is balanced with supply. And this in turn depends on the relationship between monetary revenues on one hand, and the volume and structure of production and foreign trade, on the other. Until the given equation is satisfied, prices must, of necessity, deviate from the social costs of production, balancing effective demand and supply.

The authors of many economic works have shown that the social costs of production may be more precisely expressed by production prices. On the

basis of what has been said, the concept of proportion may be defined more accurately. It takes place when effective demand and the supply of goods and services are balanced in production prices. To the extent that there is still no such proportionality, and therefore, no balance, at present the main principle for improving prices must be bringing them in line with the existing relationships of effective demand and supply for different goods, i.e., planned determination of equilibrium prices. Here it is a question of prices both for consumer goods, (this is quite obvious) and for capital goods, (this is still often disputed). Meanwhile, without this kind of prices, it is impossible not only to switch to wholesale trade in capital goods, but also to regulate material and technical supply.

It would be incorrect, however, to assume that the entire process of improving prices can be reduced to the determination of equilibrium prices. Along with maximum neutralization of disturbance in the commodity-money balance possible under present conditions, such an approach would mean undesirable consolidation and preservation of the disproportions which have developed. In fact, the determination of equilibrium prices in the presence of such disproportions is the first stage in price improvement, which should be carried out in conjunction with improvement of the structure of reproduction in the direction of strengthening its balance.

Here, deviation of the equilibrium prices from the production prices serves as a definite indicator of imbalance. If the balanced price of a good exceeds its production price, this indicates the necessity of expanding the output of the particular good. And conversely, if it is lower than the production price, then the output of the specific goods should be reduced.

Of course, it is important for signals of this type to be perceived and realized opportunely.

Their significance should not, however, be made an absolute. Meanwhile, some economists consider such price deviations to be an adequate indicator of disproportions and propose planning and financing expansion of the production of scarce goods in strict accordance with the amount of price increase for such goods due to the additional profit received from their realization. In their estimation, equilibrium prices are becoming both reproduction prices and a source of self-financing. And it is impossible to agree with this. The closeness of the tie between the magnitude of the deviation of equilibrium prices from social production costs, on one hand and the amounts of imbalance, on the other, should not be exaggerated. Even a comparatively small scarcity may cause extremely substantial deviations of equilibrium prices from the social costs of production. This circumstance was noted by K. Marx, "If...demand predominates, if even insignificantly, then the market value is regulated by the individual values of goods produced under the least favorable conditions" (Marx, K. and Engel's, F. "Soch.", Vol 25, Ch I, p 201).



Consequently, if in determining the structure of production, one is oriented exclusively to the dynamics of equilibrium prices, balance proves extremely unreliable: at times demand will exceed supply, at others, supply will exceed demand. Such fluctuations, in addition to everything else, would be detrimental to a largescale, and consequently sluggish, economy.

At the same time, in a number of cases (and for financing the development of the production of new goods, as a rule) the additional profit obtained through deviation of the equilibrium prices from the social production costs would be inadequate. Here intersectorial redetermination of funds and bank credit is indispensable.

Given equilibrium prices and commodity-money balance, the role of the consumer and the possibilities of his influencing production change radically. The problem of profitable and unprofitable product assortments completely disappears. It will be possible to sell only those products and in that structure which the consumer requires. In (19, p 90) it is correctly pointed out that balance creates conditions for competition "for the consumer." Such competition is necessary both for improving proportions as well as for reducing deviations of the equilibrium prices from the social costs of production on this basis.

As proportionality increases, the equilibrium prices should approach production prices. In itself this is an important factor in increasing the effectiveness of the national economy. It has been shown that with the same expenditures the maximum economic effect is achieved when prices most accurately reflect real social production costs (20, p 407-410). But equilibrium prices should be the starting point for the transition to such prices. The introduction of them would also produce a substantial social effect: expanding the possibilities of consumer choice, increasing actual leisure time owing to the elimination of lines, eliminating grounds for speculation.\*

At first glance, it may appear that under present conditions the divergence between social production costs (production prices) and equilibrium prices is great and the latter's approximation to production prices is a complicated and prolonged process. Meanwhile, matters are much better in reality. By our estimates, at the present level of monetary revenues, equilibrium prices for the most important food products will not exceed their production prices. In other words, if production prices are established for these goods, but the state subsidy which their producers presently receive is added to consumer revenues, then on the most of the country's territory demand for such goods and their supplies will be balanced.

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\* According to the results of sociological studies, in Hungary, with this kind of prices, women spend nine percent of the time spent on housework as a whole on purchasing goods (21, p 13).

The situation with effective demand for housing and its availability is analogous. If the rental rates for housing are determined on the basis of its production (construction) prices, then at the current level of monetary revenues, the shortage of it in most regions of the country will prove imaginary. In other regions it will be alleviated, but it will persist. In view of the special social significance of the housing problem, proposals have been made in our press to establish, along with this type of prices, a social minimum of living space made available at a reduced rate or entirely gratis (22, p 18). Such an approach may perhaps be expedient. It should be kept in mind that in distinction from food products, effective demand for housing and nonfood products, especially durables, is, to a significant extent, determined not by current revenues, but by savings, accumulated over a number of years and to a significant extent unused owing to the shortage of needed goods (accumulated demand). In this case, equilibrium prices may be higher than production prices.

Setting equilibrium prices for capital goods would make it possible to switch to wholesale trade; this in turn is an important factor in increasing balance. The prevailing method of distributing capital goods is by material-technical supply of enterprises from previously earmarked funds. This is a peculiar equivalent of the card system. Funds, like cards, are initially introduced as a compulsory measure when resources are limited. They serve as a tool for centralized management of resources. At present, however, our country has a volume of resources such that their distribution among funds continues only as the result of the unsatisfactory condition of commodity-money relations. Meanwhile, at a sufficiently large volume of resources, funding itself becomes one of the factors of their shortage.

In combination with the above noted surplus payment resources, the distribution among funds results in irrational and uneconomic use of material resources, their being "frozen" for long periods in the enterprises' warehouses, losses as the result of incorrect or excessively long storage. As is well known, many enterprises retain above-norm amounts of equipment, raw materials and materials while others lack them ("Materialy XXVI s"yezda KPSS" [Materials of 26th CPSU Congress], Moscow, Politizdat, 1981 p 126). The formation of surplus, inefficient reserves, is, to a large extent, responsible for the specifics of material and technical supply. More than once, it has been reported in the press that in trying to fulfill the plan for sales, the supply and sale bases are literally "pushing out" products "ordered" by the consumers into the consumers' warehouses, often ahead of schedule and even in greater volume than required, and as a result, this forms "a shortage in prosperity" (see, e.g., [23]). Also proceeding in this direction are the enterprises which, fearing that funds for the future will "be cut", reserve surplus physical assets, in a number of cases even destroying some (24, p 11).

An important factor in increasing balance is more rational distribution of production stocks. At the 26th CPSU Congress, correct management of production stocks was called a major reserve for overcoming or alleviating their scarcity ("Materialy XXVI s"yezda KPSS, Moscow, Politizdat, 1981, p 126).

Along with improving material and technical supply, appropriate credit measures in this field are being proposed in the press, and the intolerability of using payment credits to create above-norm reserves, has been indicated (25, p 5). The practicality of measures of this type raises no doubts. The feasibility of realizing them under material and technical supply conditions is extremely limited, however. In our opinion, the problem of rational distribution of reserves and, in general, of all material resources may chiefly be solved only by switching to wholesale trade in capital goods on the basis of equilibrium prices.

Setting equilibrium prices is a much more complex problem than setting "cost" prices, especially considering its dynamic aspect. Equilibrium prices should be more flexible and dynamic than "cost" prices. First, they are a function not of a single factor (costs) but two (costs and demand). Second, change in the structure of public demand (and, hence, effective demand) has a more dynamic character than change in costs. The planning and regulation of equilibrium prices must be organically coordinated with the planning and management of production; this assumes a certain decentralization of planned price formation, granting local economic organs greater rights in this field, expanding the practice of contract prices in the interrelationships between associations and enterprises.

An elementary market mechanism for forming equilibrium prices is not suitable for a planned socialist economy. Therefore, for a planned socialist economy, it is advisable to set equilibrium prices on the basis of social production costs--with sufficiently careful, if we may so express it, deviation from these costs, reflecting the relationship of demand and supply.\* The equations proposed by us may be used to estimate such prices (7, Ch. V).

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\* Emphasizing the specific nature of prices of this type, V. A. Volkonskiy and N. Ya. Petrakov call them planned equilibrium prices (26, 27).

Relative Overproduction, The Creation of Reserves  
and Leading Development of the Infrastructure--  
Necessary Prerequisites for Balance

In the initial discussion, by commodity-money balance is usually meant equality between the sum of prices of goods and services, on one hand, and effective demand, on the other. In reality, matters are more complicated. Real economics is not a laboratory and not a pharmacy where everything can be accurately calculated, measured and weighed. Consequently, no matter how perfect planning and management might be in their attempt to ensure strict equality of money and goods, it is practically impossible to avoid nonequilibrium, in which either the monetary volume exceeds the commodity, or the commodity, the monetary. Formally both situations seem equivalent and equally probable. If, however, the particular problem is approached from the point of view of its economic content, then it turns out that first, these situations are far from equivalent for the national economy, second, the first of them is much more probable and, third, it is much more difficult to correct.

The nonequivalence of the results of deviations from balance between money and goods in either direction is sufficiently obvious. The negative aspects of the monetary volume surpassing goods are noted above. With respect to the opposite situation, however, within certain limits they have even a positive effect on reproduction, stimulating competition for the consumer, improving product quality, expanding and updating product assortment, etc. The fact that the monetary volume's surpassing the volume of goods is indicated not only by the historical experience of the country's economic development, but also by the following considerations. Failure to fulfill the production and goods turnover plans, miscalculations in evaluating the structure of effective demand and failure to take factors of indeterminacy into sufficient account are more common events than shortage of money. And finally, completely different forces, which are necessary for restoring balance when it deviates in one direction or the other from strict equilibrium, are just as obvious. In fact, correcting the results of underproduction, expanding production and improving its structure are immeasurably more complicated and require more time than releasing additional money into circulation or increasing the extension of credit.

It is incorrect, however, to assume that the indicated deviations from strict balance are exclusively a function of the quality of planning and management and that they may ideally be reduced to zero. K. Marx demonstrated the pattern of such deviations, the necessity of relative overproduction of goods even assuming ideal, normal production." K. Marx deduces this necessity from the specific features of the reproduction of fixed and working capital, which take place independently of the social formation and persist even "if the capitalist form of reproduction is eliminated." He indicates the unevenness of the retirement of fixed capital both by time and by sector. With such unevenness, in order to support stable production of material resources and finished products, "in one case all production of

producer goods would have to be expanded; in the other, reduced. These fluctuations may be prevented only by constant relative overproduction; here, on one hand a certain amount more of fixed capital is produced than is directly necessary. On the other hand, a reserve of raw material, etc., is created in addition to the direct requirements of the particular year (this is especially true of vital resources). This type of overproduction is equivalent to control by society over the material means of its own reproduction" (Marks, K. and Engel's, F. "Soch.", Vol 24, p 532-533).

The necessity of relative overproduction and the creation of reserves have not been exhausted by the identified cause, however. In order to maintain balance, reserves which make it possible to protect the national economy from the negative influence of other factors of indeterminacy are also needed. The formation and replenishment of reserves--capacities and products--must be planned in inseparable association with both current and longterm (investment) production. Here it is necessary to strive for optimal volumes of reserves, the optimal ratio of used and reserved portions of products, and optimal structure of the reserves.

Foreign trade may play an important role here. Thanks to foreign economic ties, a considerable amount of material resources may be exchanged for currency resources. The possibilities of foreign trade in this field should also be remembered both in its dynamic aspect, taking into consideration, of course, the reliability of trading partners and the specifics of the goods. To the extent that the necessity of reserving a given product ends, owing to, e.g., the introduction of additional capacities or a large harvest, that product may be exported. At the same time, a drop in the output of products associated with a temporary shutdown of capacities in order to modernize or technically update them, may be compensated with imports.

Optimal estimation of reserves may be accomplished on the basis of probability models. One of them is the stochastic modification of the above named "revenue-goods" dynamic model; this modification was developed at the USSR Academy of Sciences Economics Institute (28). It reflects, on one hand, the manifestations of indeterminacy which are the most significant and which, at the same time, also lend themselves to probability analysis and, on the other, the measures directed at mitigating its effect: the creation of reserves of finished products, raw materials and materials, reserves of production and warehousing capacities, currency reserves, additional development of the infrastructure. This kind of measure requires considerable expenditures, of course. In the "revenue-goods" stochastic model, these expenditures are commensurate with the results manifested in a drop in direct and indirect losses from indeterminacy. Here the optimization task is solved; its formulation is as follows.

Part of national income is diverted to forming and filling reserves, as well as to other measures for reducing losses from indeterminacy. This

reduces the part used for consumption and, strictly speaking, savings. But the drop in such losses increases it to the extent that the volume of the national income increases. If the reserves are too large, losses from indeterminacy become minimal, but, on the other hand, excessive funds are diverted from national income. If, however, the reserves are unjustifiably small, these losses significantly reduce national income. Consequently, it is necessary to find the optimal size of the part of national income which is directed at formation of reserves and other measures for reducing losses from indeterminacy. Here, maximum national income used for consumption and, strictly speaking, savings, must serve as the optimum criterion.

The size of reserves is, to a great extent, determined by the capacity of the warehousing services. In dictating the necessity of unforeseen maneuvering of material resources, the indeterminacy factor imposes additional requirements for the development of transport. Thus, estimation of indeterminacy is of great significance for planning not only reserves but also the infrastructure.

As is well known, the national economy suffers substantial losses from inadequate development of the infrastructure, hence, in our opinion, it has a greater effect on the balance of the national economy under current conditions than do the directly producing sectors. This becomes obvious, if two variants of the development of the national economy are compared with the finished product which is equal in volume and structure and which is used in consumption and savings. In the first, the level of development of sectors of the infrastructure is fairly high, the losses are small, and thus the volume of finished products is limited by the capacity of the producing sectors. In the second, the capacity of the producing sectors is greater than in the first, however, as a result of inadequate development of the infrastructure, losses here are extremely appreciable. As a result, in the first variant the finished product going for consumption and savings is close in volume to that produced, and in the second, it is significantly smaller than it. It may be claimed that the first variant is preferable for balancing the national economy. The point is not only that in the second variant more primary resources which, in many ways, are uncompensated, is spent for an equal volume of finished products, but also that in producing products subsequently lost in transporting and storage, wages are paid and money is spent which remains in the turnover without a corresponding material offset. This reduces the level of commodity-money balance.

#### Systematic Analysis of Domestic Market Conditions and Current Regulation of the Economy--Necessary Conditions For Maintaining Balance

Next to achieving balance, the most important problem is maintaining it. Study and analysis of the domestic market conditions are required for this. On the basis of studying it, it is necessary to maneuver existing reserves and resources opportunely and in the best possible manner under the specific economic conditions and to take additional measures



directed at fulfilling planned goals and preventing disproportions and disturbances of balance. The importance of domestic market conditions and the corresponding economic regulation would make it possible to eliminate emerging disproportions promptly and restore balance, if disturbances in it were still not successfully avoided.

At present, fairly complete and timely information describing domestic market conditions is not being developed. There is also no organ which would be entrusted with maintaining balance (not planning--this is a function of Gosplan, but, precisely, maintaining)--"the subject of balancing." The activity of the sectorial ministries which have practical information on the enterprises and associations within their jurisdiction, is not directly focused on balance. Moreover, acting in the role of producers, they are not even objectively interested in it. In fact, under shortage conditions, it is possible not to worry about product quality and about updating product assortment. It has been shown in the press why, for example, the Ministry of Construction is not interested in balance between the work volume planned in monetary terms and its supply of resources: they are not made strictly accountable for failure of an impracticable goal. On the other hand, even greater resources are given under an "inflated" plan (29).

As regards other management organs, they have only information which is incomplete and untimely for current regulation of the economy; the specific nature of its basic vehicle--statistical accounting--is responsible for this. As is well known, it is prepared after a certain period of time has elapsed, usually a month or a quarter, and, moreover, for a limited range of indicators, and thus may not contain adequate information on disproportions.

Untimeliness and incompleteness of information is only half the problem, however. Its other, main half is delays and inadequacy of management influences. After all, once the appropriate information has been received, the necessary measures to correct the situation may be carried out effectively only when it is within the competence of that particular department or ministry. If, however, such measures completely or partially exceed its scope or have, say, an intersectorial character, the problem is settled instead at the "upper levels" of the management hierarchy through interdepartmental agreement with the participation of, for example, Gosstat, Gosplan, Gosstroy, etc. And this takes a considerable amount of time, during which disproportions and imbalances accumulate and intensify owing to the time sluggishness of the economic processes. Then still more efforts and expenditures, the size of which often are exponentially related to the time of delay, are required to correct them.

How, then, under present conditions, is it possible to organize the study and analysis of domestic market conditions in the best possible manner and ensure the most rational regulation of the economy in order to maintain commodity-money balance?

In our opinion, the only possible solution of the problem is to use the banking system for this purpose. In his time, V. I. Lenin wrote in the specialized "Summaries of Banking Policy", "Banking policy, not limited to nationalization of banks, must be gradually but steadily directed toward transforming banks into a single apparatus for accounting and for regulating the socialistically organized economic life of the entire country" (Lenin, V. I. "Poln. sobr. soch." [Complete Collected Works], Vol 36, p 220]. At present there exist not only the conditions for, but also the urgent necessity of, realizing this instruction by V.I. Lenin.

Banking information differs appreciably from any other economic information. Documents containing it serve credit, accounting and other bank operations, and it is precisely this which ensures their completeness, detail, reliability, and timeliness.

In fact, the completeness and detailedness are due to the fact that the system of banking institutions encompasses the entire country, and their operation encompasses all economic processes. Reliability is guaranteed by the monetary nature of bank documents. The purchaser pays his account only for goods actually received. He will not (has no right) to pay more than this good costs according to the official price, and the supplier will, naturally, not agree to a sum less than is due him according to this price. Timeliness is also economically ensured: in fact, funds enter the account of the enterprise selling the product only after the documents are drawn up. And the enterprise tries to draw them up without delay, since if it does not receive money, it cannot continue production.

The opportunity also objectively exists for managerial influences on the basis of this information not to be delayed, inasmuch as they are also supposed to be performed by the bank. The bank is an institution which by its very nature should be interested in ensuring and maintaining commodity-money balance, i.e., is called upon to be a subject of balancing. USSR Gosbank and its local organs have been entrusted with making and fulfilling cash plans; they have been granted the right to reduce the extension of loans to enterprises which have accumulated above-norm reserves of raw materials and materials. In order to fulfill the cash plan in fact, rather than formally, the USSR Gosbank must see to it that industry and trade of the corresponding departments and regions produce and sell goods needed by the population, thus creating the conditions for money to return to the Gosbank fund.

In our opinion, under conditions of commodity-money relations, economic management using financial-credit levers is most effective. And, as is well known, the bank distributes them. At present, however, such control is complicated, since limits, funds, and job authorizations are needed, in addition to monetary allocations. This, to use the language of cybernetics, means delay and weakening of of control influences associated with using money, and a lot of fuss--obstacles on their path.



The achievement of commodity-money balance essentially increases the possibility of controlling influences of the bank, since different types of monetary sanctions, such as changes in the settlement and loan conditions, will become more "appreciable," and, the main thing, the role of credit will increase. The advisability of using the bank to control the economy becomes especially obvious when one considers that it is a state-wide economic organ, free of departmental and order of preference interests.

In our opinion, performing the functions associated with improving and maintaining commodity-money balance should be regarded as of paramount importance in Gosbank's activity, having expanded its obligations and rights in this field in an appropriate manner. A substantial step in the indicated direction would be a switch to credit planning not only for the national economy as a whole but also territorially--as this takes place with respect to cash planning. The positive experience with regional credit planning in the Lithuanian, Moldavian and Estonian SSR's has already been noted in (25, p 7). The activity of Gosbank's local organs in implementing the regional credit plans undoubtedly would facilitate the maintenance of commodity-money balance.

Next, it is advisable for Gosbank's local organs, to also give recommendations on price changes on the basis of analysis of domestic market conditions, ensuring timely and complete marketing of the products produced, preventing spoilage and overstocking, on one hand, and lines and speculation, on the other.

In conclusion, the necessity of complete implementation of the program of proposed measures for ensuring commodity-money balance should be emphasized. Individual measures cannot result in a satisfactory solution of the goal set. Moreover, some of them are not implemented at all separately, individually; others are of no use. Thus, it is impossible to prepare a scientifically valid plan on the basis of effective demand formed under conditions of understated prices for goods, which there are insufficient resources to produce. It would be simply impracticable to provide for complete satisfaction of demand for such goods in the plan. It is impossible to abolish payment through bank credit for products supplied to the insolvent purchaser. But when capital goods are distributed by way of the purchaser's material and technical supply, the supplier does not select his own products. This is another matter under conditions of wholesale trade in capital goods. But the transition to wholesale trade without equilibrium prices would be difficult and ineffective.

There is no need to prove specially how complex it is to create reserves under conditions of imbalance. If the monetary volume exceeds that of goods, then a persistent tendency to "corrosion" of reserves exists. And this, in turn, limits the possibility of eliminating disproportions and imbalances, which may arise during economic development.

It would be advisable to implement the measures in question for achieving and maintaining balance simultaneously and in a short period

of time. In our opinion, objective possibilities exist for such a solution of the problem. In this case, it would be possible to count on the greatest effect. At the same time, the recommended system of measures may also be realized in stages. Within the framework of each stage, however, the completeness of its implementation must also be observed.

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## REGIONAL DEVELOPMENT

### UNION REPUBLIC FINANCE MINISTERS REVIEW PROGRESS

#### Uzbek SSR

Moscow FINANSY SSSR in Russian No 11, Nov 82 pp 8-11

[Article by V. N. Muratkhodzhayev, Uzbek SSR Minister of Finance: "An Equal Among Equals"]

[Text] The labor collectives of Uzbekistan, like all Soviet people, are striving to fulfill their plans ahead of schedule and to achieve a substantial improvement of the efficiency and quality of all work. Carrying out the decisions of the 26th CPSU Congress and the 20th Congress of the Communist Party of Uzbekistan, everywhere they have begun preparations for the great holiday of the Soviet people--the 60th anniversary of the formation of the Union of Soviet Socialist Republics. This is a holiday of the unity, fraternity, and friendship of all of the peoples of our country and of the triumph of Lenin's nationalities policy. The Uzbek Soviet Socialist Republic is an equal among equals in the multi-national family of the country of Soviets. The formation of the USSR made it possible for the peoples of the former outlying districts of Russia, by basing themselves on the aid and support of the more developed Soviet republics and, above all, the RSFSR, to rapidly eliminate the backwardness which they had inherited from the past. Enormous additional appropriations were allocated from the all-union budget for the accelerated development of the backward republics. Capital investments in the industry of the Central Asian republics increased at more rapid rates than in the country as a whole. While during the prewar 5-year plans they increased by 24 times in the USSR as a whole, in the Uzbek SSR the increase was 33 times.

Basing themselves on the help of their fraternal republics, during the period of the prewar 5-year plans the workers of Uzbekistan built more than 500 industrial enterprises whose number included such as the textile combine and agricultural machine building plant in Tashkent, the Chirchik "Elektrokhimprom" Production Association, the Almalyk Mining and Metallurgical Combine imeni Lenin, and the Kuvasay Cement Plant. Coal mining has been begun at the Angren Deposit. Enormous international help was given to Uzbekistan in creating the kolkhoz system and in strengthening the material and technical base of agriculture. Bright pages were written in the history of collectivization by the twenty-five-thousanders who had come from Moscow, Leningrad, Ivano-Voznesensk, and other industrial centers of the Soviet Union.

The population's flagrant backwardness which had been inherited from its feudal and colonial past was eliminated during the course of the construction of socialism in Uzbekistan. Science, literature, and art--national in form and socialist in content--developed at rapid rates. As a result of the growth of industrial and agricultural production and of socialist accumulations, year after year there was an increase in the size of the republic's State Budget which played a large role in the realization of the Leninist nationalities policy.

Finance workers are laboring at various posts and many of them bear the high title of "Distinguished Worker of the Finance Service" and "Veteran of Labor." In the apparatus of the Ministry of Finance UzSSR alone the Chief Bookkeeper of the Administrative Economics Department Anna Vasil'yevna Luzgina has been working for more than 56 years, the Chief of the Central Bookkeeping Office and Chief Bookkeeper Farid Sadykovich Biserov has been working for more than 46 years, and the Deputy Chief of the Budget Administration Anna Naumovna Kogan has been at work for almost 40 years. Kasim Ikramovich Aripdzhanov--a participant of the Great Fatherland War and an honored economist of the republic--has been occupying the post of Chief of a Rayon Financial Department in Tashkent for more than 38 years.

The Chief of the Fergana Oblast Financial Department Ifta Abdulovich Dzhemilev has been working in the financial system for more than 50 years, and the Chief of the Khorezm Oblast Financial Department Masharip Radzhapovich Utarov has more than 40 years of service. The honorary title of "Honored Economist" of the republic has been awarded to 34 financial agency specialists.

Thanks to the efforts of the workers of the financial system, the income part of the republic's budget is fulfilled and overfulfilled every year, and this makes it possible to carry out the uninterrupted financing of measures stipulated by the plan and the budget. During the 10th Five-Year Plan the expenditures of the State Budget of the UzSSR for the financing of measures stipulated by the republic's economic and social development plan came to 27.9 billion rubles, which is 44.1 percent more than during the 9th Five-Year Plan. During the years 1976-1980 13.3 billion rubles, or 53.1 percent of the budget expenditures, were assigned for financing the economy. A 12.9 percent increase in these expenditures has been provided for in the 1982 State Budget. The republic's industry fulfilled the assignments of the 10th Five-Year Plan ahead of schedule. Additional output worth more than 1.5 billion rubles was sold. During the five years production grew by 27.4 percent.

Substantial funds are allocated from the State Budget for the development of agricultural production. Thus, while in 1976 998.2 million rubles were allocated for this purpose, in 1980 the figure was 1351 million rubles, and for the 10th Five-Year Plan as a whole--5677 million rubles. Soviet Uzbekistan is a republic with a highly developed multi-branch agriculture and is the country's largest supplier of cotton whose production has been increasing every year. Substantial progress has also been achieved in the creation of a modern agricultural raw materials processing industry. The successful development of agriculture is being fostered by the close economic relations of the UzSSR with the other

union republics. This manifests itself especially graphically in the joint use of land and water resources, the joint construction of large hydro-engineering installations, and in the joint development of large tracts of new land.

The materials of the May (1982) Plenum of the CPSU Central Committee and the Food Program were received in the UzSSR with great enthusiasm. All of the workers of Uzbekistan unanimously approve of the decisions of the Plenum. A plenum of the Central Committee of the Communist Party of Uzbekistan defined a concrete plan of practical actions by the republic's party, government, and economic agencies. The republic's role in the struggle by all of our peoples for a great new upsurge by the agro-industrial complex is determined by its place in the all-union division of labor as one of the large areas of highly developed irrigation farming and the basic supplier of cotton and other output. Occupying 1.8 percent of the country's arable land, Uzbekistan produces 63 percent of the raw cotton, more than 18 percent of the rice, 10 percent of the fruit and vegetable output, 62 percent of the silk cocoons, and more than 35 percent of the astrakhan and a great deal of other output.

During the years which have passed since the March (1965) Plenum of the CPSU Central Committee, in addition to the intensive growth of cotton growing, a large step has been taken in the republic in the development of the food branches of cropping and animal husbandry. The production of grain has increased by 4 times, fruit and vegetable output by 3.6 times, the production of meat has doubled, and that of milk and eggs has increased by 2.6 times.

The increase in the production of food crops and animal husbandry products has made it possible in recent years to markedly improve food supplies for the republic's population. And this with a substantial growth of the population which compared to 1965, has increased by more than 6 million people and now comes to 16.5 million people!

The basic tasks of each of the union republics are clearly defined in the Food Program. In the UzSSR, in addition to the leading branch--cotton growing,--the food branches will also develop at accelerated rates. Measures have been mapped out for the further overall development of the lands of the Karshi and Dzhezak Steppes, the Amudar'ya lowlands, and other zones. During the present decade not less than 9000 hectares of irrigated land is supposed to be put into operation. The tasks facing the republic demand an exceptionally high level of organization, a scientific approach, and impeccable discipline in the work of all financial agencies--from the apparatus of the Ministry of Finance UzSSR to the oblast, city, and rayon financial departments.

Measures have been worked out in the Ministry of Finance UzSSR to carry out the decisions of the May (1982) Plenum of the CPSU Central Committee. It is planned to strengthen control over the fulfillment by sovkhozes and other agricultural enterprises and organizations of the assignments to increase the return from capital investments and improve the quality of agricultural output, to decrease losses and eliminate loss-bearing sovkhozes, and to increase the profitability of sovkhozes and the safekeeping of their own circulating capital. The Ministry of Finance and its local agencies will devote maximum attention

to a further improvement of the work of rural schools, vocational and technical schools, children's preschool and medical institutions, clubs, libraries, trade and public catering enterprises, and municipal and domestic services, to all of the questions related to improving the social and everyday conditions of the rural population.

Since time immemorial there has been a high and unique culture on the territory of Uzbekistan. The entire world knows the names of the best sons of the people of Central Asia--the renowned mathematician and astronomer Fergan', the very great medieval scholar Makhamed Ben-Musa Khorezm', the celebrated philosopher and scholar encyclopedist Abu Nasr Mukhamed al'-Farab', the scientists Amu Raykhan Berun' and Abu Ali Ibn-Sin, the astronomer Ulugbek, and the famous poet and thinker Alisher Navoi. However, before the October Revolution the basic mass of the population was not able to enjoy the fruits of science and culture. Soviet power has created all of the conditions for spiritual growth for the workers. Today more than 50 percent of the expenditures of the State Budget of the UzSSR is accounted for by social and cultural measures and science. In pre-revolutionary Uzbekistan 98 percent of the population was illiterate. Its 165 general educational schools had 17,500 pupils and 710 teachers. There were no higher educational institutions. Today there are 4,149,000 pupils and 251,000 teachers in 9,478 general educational schools. The republic has 43 higher and 227 secondary specialized educational institutions, and 330 vocational and technical schools.

Uzbekistan has become a major center of the Soviet East. More than 36,000 scientific workers conduct research in the various branches of science. Many scientists and designers have been awarded the high title of laureates of Lenin and State Prizes. Among them are the Academicians Kh. M. Abdullayev and I. Kh. Khamrabayev, the Candidates of Sciences L. E. Paley and Kh. T. Tulyaganov, and many others. The recognition of the contribution by Uzbek scientists to the treasure-house of world science is witnessed by their election to various international scientific organizations, academies, and other societies. Academician Kh. M. Abdullayev has been elected to membership in the Mineralogical Society of Great Britain, Academician T. Z. Zakhidov is a full member of the International Academy of Zoology, Academician S. Yu. Yunusov is a member of the German Academy of Natural Scientists, and Academician S. Kh. Sirazhdinov is a member of the International Association of Mathematical Statistics.

The republic's cultural life is rich. It has 2 theaters of opera and ballet, 20 theaters of drama and musical comedy, 3 republic and 2 inter-oblast philharmonic orchestras, and 6 children's theaters. The dance ensemble "Bakhor," the ensemble "Shodlik" and others are well known to art lovers. City and village workers have at their service 4,074 clubs, and 7,001 mass libraries with a book fund of 64 million copies.

Health care is a subject of especial concern for the Soviet state. In 1913 the territory of present-day Uzbekistan had on it 63 hospitals, 65 out-patient clinics, and 10 medical assistant-midwife points with 128 doctors and 286 middle-echelon medical workers in them. The hospitals had only 997 beds. Today the



republic's Ministry of Health Care system (excluding other departments) contains 2,160 out-patient-polyclinic institutions, 1,418 women's consultation points and children's polyclinics and out-patient units, 214 epidemiological stations, and 1,475 doctor's assistant health points.

The workers of Uzbekistan are participating in opening up the Nonchernozem Zone of the RSFSR, in developing the petroleum and gas deposits of Tyumen', building the Baykal-Amur mainline, and in other shock projects of the 5-year plan. Emissaries from the fraternal republics are helping to develop the Karshi and Dzhizak Steppes, to build the Mubarek Gas Refining Complex and the Tuyamuyun Hydro-Engineering Center, and to build cities and villages. The new Tashkent, reborn after an earthquake with the participation of all of the republics and now the symbol of the fraternity of the peoples of the USSR and the star of the East, is a vivid example of internationalism.

Engineers, doctors, teachers, land improvement workers, cotton growers, and other specialists from our republic are worthily representing our country in Afghanistan and Angola, Syria and Mozambique, Vietnam and Cuba, and dozens of other states in the world. With their labor they are helping with the creation in these countries of a modern economy, with the development of health care, education, and science, and with the training of national cadres. The workers of Uzbekistan and Afghanistan call the recently built majestic bridge across the Amudar'ya the Bridge of peace.

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#### Ukrainian SSR

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[Article by V. P. Kozeluk, Minister of Finance of the Ukrainian SSR: "Improve Departmental Control"]

[Text] The CPSU Central Committee and the Soviet government have always devoted enormous attention to improving the management of the economy and to introducing a strict regime of economy and thrift into the system of economic management. It is noted in the decisions of the 26th CPSU Congress that our country possesses an enormous production and scientific and technological potential, but that effective use is not always made of this. Savings everywhere and in everything, a proprietary attitude toward public property, and the judicious use of everything that we have and that has been produced by the hands and mind of Soviet man--this is the pivot of the party's economic policy.

Accounting and control play a large role in the struggle for savings and thrift. It is required that ministries and departments strengthen control over the results of economic management in all of the spheres of the economy, improve control and auditing work, and increase the role of accounting and departmental control in strengthening state discipline, safeguarding socialist property, and complying with a regime of economy.

Departmental audits and checks are still ineffective and do not fully meet the demands for a further strengthening of state discipline. In this connection, there is the task of carrying out concrete measures to eliminate shortcomings and to improve control and auditing work. A Regulation on Departmental Control of the financial and economic work of associations, enterprises, organizations, and institutions has been ratified.

The UkSSR ministries and departments, and the ispolkoms of the republic's Soviets of People's Deputies have been charged with: eliminating shortcomings, and taking measures to increase the effectiveness of audits and checks at subordinate enterprises, organizations and institutions, and also to increase the coordination of control work; ensuring in the future a high quality performance of audits and checks on the financial and economic work of associations, enterprises, organizations, and institutions, basing themselves on labor collectives, public organizations, and peoples' control groups and posts, and on the enlistment in this work of specialists who have a good knowledge of planning and the organization of production, of the organization of labor and wages, finances, accounting, and so forth; ensuring the punctual examination of audit and check materials and the adoption of the necessary measures for every instance of abuse, theft, mismanagement, and other violations of state discipline; and not permitting the performance of audits at subordinate enterprises, organizations, and institutions by accountants from other subordinate enterprises without the participation in this work of auditors. Special attention is directed to the necessity for increasing the responsibility of the workers of the economic planning, finance, accounting, and other services of ministries and departments, associations, enterprises, and organizations and institutions for preliminary and current control, for the correct, economical and efficient use of monetary funds and physical assets, and for the creation of the necessary conditions to ensure the safekeeping of socialist property and the reliability of reporting on the execution of plans.

The tasks of the further improvement of departmental control were the subject of a wide and comprehensive discussion at a republic conference-seminar which had been prepared on the initiative of the UkSSR Ministry of Finance. It was participated in by the republic's deputy ministers and department heads who are in charge of economic matters, the chiefs of ministry and department control and auditing and economic services, the chief oblast control-auditors of the UkSSR Ministry of Finance, and responsible workers from the republic's Committee for People's Control, Ministry of Internal Affairs and Procurator General's Office, the Central Committee of the Communist Party of the Ukraine and the UkSSR Council of Ministers. Much attention was devoted at the conference-seminar to a study of the economic policy of the CPSU and to the concrete questions of organizing accounting and control; and there was a discussion of measures to strengthen economic work in the branches of the economy and to ensure the universal introduction of a regime of economy and thrift in the use of raw materials, fuel and energy, and other material resources and monies.

The republic's ministries and departments adopted measures to ensure the safekeeping of socialist property. The proportion of overall audits has increased

from 78.6 to 80.6 percent. Such audits are more effective, since in addition to the auditors, they are participated in by specialists who know planning, accounting, and production technologies. In 22 of the republic's ministries and departments the proportion of these audits exceeded 90 percent of the total number of audits.

The Committee for People's Control and the republic's Ministry of Finance have coordinated their control and auditing work with other control agencies and with intra-departmental control. For coordinated plans certain departmental auditors took part in overall audits of the execution of the budgets of oblasts, cities, and rayons. They checked the work of the enterprises of their ministries and departments. The Ministry of Finance conducted many checks together with people's control agencies, the UkSSR Central Statistical Administration, and the institutions of Gosbank USSR. As a rule, they were effective.

The republic's Ministry of Finance and financial agencies have been and continue to provide methodological and practical assistance to the workers of departmental control. Last year the apparatus of the UkSSR Ministry of Finance conducted a survey of the state of control and auditing work in 18 ministries and departments, and 1,078 associations, combines, trusts, and other economic management agencies. During the process of these checks the departmental control workers were given practical assistance. In addition, 48 special seminar-conferences were conducted with them at which the most effective methods of auditing were studied.

However, at many of the republic's ministries and departments the level of control and auditing work is rising slowly. In 1981 plans for the performance of audits were not fulfilled in the Ministry of Construction Materials, the Ministry of Local Industry, the UkSSR State Committee for Vocational and Technical Education, the Ukrglavvyrbkhoz, and certain other ministries and departments. At 41 enterprises of the system of the Ministry of Domestic Services for the Republic audits had not been performed for more than two years, although, as is known, at cost accounting organizations and enterprises they have to be conducted annually. While in the republic as a whole the level of overall audits comes to 80.6 percent of the total number of audits, in the Ministry of Communications it is only 27.2 percent, in the Ministry of Higher Education--31.4, in the State Committee for Vocational and Technical Education--34.3, and in the State Committee for Television and Radio--36.7 percent.

The practice has not yet been eliminated in the system of certain ministries and departments in which audits at certain enterprises, organizations, and institutions are performed by accountants from other similar enterprises without the participation of auditors. These checks are not performed for the purpose of improving work, but for the sake of calculations. In 1981 such instances were established in the system of the Ministry of Agriculture, the Ministry of Food Industry, the Ministry of Light Industry, the Ministry of Ferrous Metals, and the Ministry of Water Resources. These ministries will have to carry out the demands of the republic's Council of Ministers which has prohibited such formal and ineffective audits.

In the Ministry of Water Resources, the Ministry of Construction Materials, the Ministry of Rural Construction, the Ministry of Communications, the Ministry of Municipal Housing, the Ministry of Procurements, and certain other ministries and departments the demand of the Council of Ministers regarding the strengthening of the control and auditing services is not being carried out. These ministries have been ordered to strengthen their control and auditing services without increasing the size of their management apparatuses and of carrying out a centralization of the control and auditing apparatus, which would make it possible to improve departmental control and increase its effectiveness.

In departmental audits the chief attention is given to document checks, which is undoubtedly correct, but it is essential also to give substantially more attention to a detailed elucidation of the reasons for mismanagement, squandering, false reporting, the inefficient use of material resources and monies, above-plan losses, and other shortcomings in the financial and economic work of individual enterprises, organizations, and institutions. On account of serious omissions in the performance of departmental audits defects in economic management are, as a rule, not eliminated. The republic's ministries and departments have to organize the auditing of subordinate enterprises and organizations in such a way that they promote a more effective use of labor, material, and financial resources and the reduction of non-productive expenditures and various kinds of material and monetary losses. More attention has to be given to staffing vacant positions in intra-departmental control. As of 1 January 1982 this apparatus was short-staffed by 11.5 percent, while in the Ministry of Rural Construction, the Ministry of Light Industry, the Ministry of Local Industry, the Ministry of Fruit and Vegetable Resources, and the Ukrainian Interkolkhoz Construction Organization the figure was 20 percent.

In order to improve control and auditing work the republic's ministries and departments have to take effective measures to improve the qualitative composition of the workers of the control and auditing apparatus. It cannot be tolerated that positions in the apparatus are occupied by people who do not have practical training and experience in this work. In the republic 9.1 percent of the intra-departmental control workers only have a general secondary education, while 28.6 percent have auditing work experience of up to three years. Under these conditions it is becoming especially important to train and retrain auditors through correspondence education in educational institutions, and also at advanced training courses. It has to be said here that in 1981 the Ministry of Food Industry, the Ministry of Agriculture, the Ministry of Trade, the Main Administration for the Fruit and Wine Industry, and the Ukrainian Interkolkhoz Construction Organization did not fulfill the established plans for improving the qualifications of control and auditing workers at special courses. The ministries and departments have to certify their intra-departmental control workers and in this way strengthen them and increase their responsibility for their work.

The safeguarding of socialist property in the economy depends not only upon the control and auditing apparatus, but to a large extent also upon economists, finance workers, and accounting service workers whose number in the republic

almost exceeds the number of auditors by 50 times, and the former, by virtue of their work duties, have the direct functions of preliminary and current control when they draw up documents and perform accounting operations on the expenditure of monies and physical assets. The republic's ministries and departments have around 99,000 economists and more than 304,000 accounting apparatus workers.

As a result of insufficient control over their work and of an unconscientious attitude by many of them toward their duties, year after year there are discovered in the branches of the economy numerous instances of mismanagement and of violations of planning and financial discipline, substantial non-productive expenditures and losses, and the exceeding of expenditure norms for raw materials, materials, and fuel and energy resources. The greatest number of such shortcomings exist in the enterprises of the Ministry of Ferrous Metallurgy, the Ministry of Coal Industry, the Ministry of Construction Materials, the Ministry of Light Industry, and of the Construction and a number of other ministries. For example, in 1981 every second enterprise or organization of the Ministry of Rural Construction failed to fulfill its profits plan or had above-plan losses basically as a result of non-productive expenditures and the increased cost of construction.

In the first quarter of 1982, on account of substantial non-productive expenditures and losses, there were above-plan over-expenditures with regard to the cost of output of 27 million rubles by the enterprises of the Ministry of the Coal Industry, 18.4 million rubles by the enterprises of the Ministry of Ferrous Metallurgy, and 7.7 million rubles by the enterprises of the Ministry of Heavy Construction. As in the past, substantial losses are being incurred on account of the production of poor quality output by individual enterprises of the light, local, and food industries, domestic services for the public, and consumer cooperatives; there are large losses from idle time by motor vehicle freight transport which is in good condition and from carrying ticketless passengers on urban passenger transport. The final results of financial and economic work are lowered by the maintenance of surplus managerial apparatus workers and over-expenditures beyond maximum appropriations for their maintenance. Considerable damage is being caused by certain workers in the domestic services for the public system.

As a result of weakened control over the correctness and rationality of the use of the wage fund in the systems of many ministries and departments, there are cases of an outstripping growth by the average monthly wage rates over the labor productivity growth rates. This kind of relationship between these highly important indicators is most widespread at the enterprises of the Ministry of Coal Industry, the Ministry of Construction Materials, and the Ministry of Industrial Construction. Many violations in the use of wage funds are being discovered by financial agencies in public education and health care institutions and higher and secondary educational institutions on account of incorrect rate setting for a number of workers, overstated personnel norms and salary rates, and unjustified payments for non-factual occupational-doubling up.

The ministries and departments have to substantially improve the quality of economic work. It is necessary to cultivate in workers a feeling of great responsibility for their duties and of intolerance for any kind of mismanagement, extravagance, or abuse.

Many audits are not conducted in their full amplitude by departmental control workers, and an insufficient study is made of the effectiveness of measures to ensure the safekeeping of socialist property. The materials of intra-enterprise inventories are not always examined, their fulness and quality are not checked, and a principled evaluation is not made of the results of previous inventories and of measures which have been taken in connection with them. In individual cases the auditors do not conduct the necessary inventories of commodity assets, counter-checks of the reliability of receipts operations and of the writing off of monetary resources and physical assets, and control measurements and checks of the amount of work performed.

It is for this reason that such superficial audits do not discover violations and abuses in time. This is convincingly attested to by the results of checks conducted in 1981 by the control and auditing apparatus of the Ministry of Finance. In almost every fourth checked enterprise, organization, and institution where departmental audits had previously been performed illegal expenditures and other abuses were established.

It is not possible to reliably safeguard socialist property when there are violations of the rules of accounting whose further improvement in associations, enterprises, organizations, and institutions is one of the most important tasks of the republic's ministries and departments. Numerous facts show that abuses occur in those places where accounting is neglected, where physical asset inventories are conducted in a formal manner, and where there are no counter-checks of the completeness of receipts and of the legality of writing off monies and physical assets.

For example, in February 1982 during the transfer of commodity assets in Store No 10 of the Workers' Supply Administration of the "Antratsit" Production Association of the UkSSR Ministry of the Coal Industry a shortage of 54,200 rubles was discovered. It had arisen in 1978 and had been increasing every year, despite the fact that since 1978 10 commodity asset inventories had been performed in this store. They had been performed in a formal manner, without strict compliance with the established procedure, which permitted the store workers to conceal the shortage by means of false reporting in the inventory lists of actually missing goods. There is no doubt that if they had conscientiously performed their duties the accounting workers would have been able to uncover these violations in time and put a stop to the abuses. Such instances, unfortunately, are not isolated ones.

The quality of accounting depends to a substantial extent upon the staffing of the accounting apparatus and the level of staff qualifications. As of the beginning of 1982 there were 5,200 vacant accounting positions in the enterprises subordinate to the UkSSR Council of Ministers, or 1.7 percent of the total.

Of them, 695 were chief enterprise and organization accountant positions. The largest number of vacant positions are in the systems of the Ministry of the Fruit and Vegetable Enterprise, the Ministry of Sovkhozes, the Ministry of Domestic Services for the Public, the Ministry of the Food Industry, and the Ukrainian Union of Cooperative Societies. Every third accounting worker does not yet have a specialized secondary or higher education. It follows from this that the ministries and departments have to devote more attention to the training and retraining of accounting workers and to seeing to it that vacant positions are fully staffed.

In order to ensure the safeguarding of socialist property it is very important to correctly select materially responsible people. However, in the systems of individual ministries and departments of the republic this work does not yet fully meet the necessary requirements. In a number of cases people who have compromised themselves in their previous jobs are hired for work with material responsibility. Such cases have been established at individual enterprises and organizations of the Ministry of Rural Construction, the Ministry of Domestic Services for the Public, the Ministry of Industrial Construction, and the Ukrainian Union of Cooperative Societies. And, as was to be expected, most of them again committed embezzlements and abuses.

For this reason ministries and departments have to do everything necessary in order to protect socialist property against the various kinds of smart operators and plunderers, and in addition to leaders, a more active role has to be played here by the workers of the economic, finance, accounting, and control and auditing services of the ministries, departments, and other managerial agencies.

An important role in increasing the effectiveness and quality of control is played by the punctual and full realization of the materials of audits and checks, the ensuring of full compensation for discovered damages and the restoration of illegal expenditures, and the enforcement of strict disciplinary and material liability for guilty parties. However, in individual ministries and departments decisions on the results of departmental audits are frequently taken very late, in certain cases there are instances of a liberal attitude toward culprits, and measures are not always taken to compensate for damages discovered by the audits. Such shortcomings were established in the Ministry of Rural Construction where many of the materials of audits in 1981 and in the first quarter of 1982 were examined with a delay of three-eight months, parties guilty of serious violations of state discipline were not, as a rule, prosecuted, and the necessary measures for the full compensation of the material damage were not taken. In this ministry's system the level of compensation for illegal expenditures, shortages, and thefts came to 6.1 percent in 1981, while the average republic indicator for all of the branches of the economy was 35.4 percent.

Instances of a prolonged examination of audit materials and of the adoption of liberal decisions have been established in the systems of the Ministry of Industrial Construction and the Ministry of Domestic Services for the Public,



the republic "Ukrmezhkolkhozstroy" Association, the Ukrainian Republic Administration of the State Committee for Standards, the UkSSR State Committee for Television and Radio, and the Ukrglavrybkhoz. It is not accidental that the compensation level for damages discovered by departmental audits continues to be low. In the Ukrainian Interkolkhoz Construction Association it comes to 2.2 percent, and in the systems of the Ministry of Geology, the Ministry of Water Resources, and the Ministry of Meat and Dairy Industry it is 10 percent. The compensation level is lower than the average republican one in the systems of the Ministry of Light Industry, the Ministry of Industrial Construction, the Ministry of Road Construction, the Ministry of Heavy Construction, the Ministry of Coal Industry, the State Committee for Vocational and Technical Education, Gossnab, the Ukrainian Main Administration for Fisheries, the Main Administration for the Petrochemical Industry, and the State Committee of Sel'khoztekhnika.

The republic's ministries and departments must in the near future eliminate the serious shortcomings in the realization of the materials of audits and checks, and ensure full compensation for the material damage caused to the state. They have to do everything necessary to see to it that locally there is a mandatory execution of the decisions adopted in accordance with the results of departmental audits.

There has to be a further improvement of contacts and work coordination between the apparatus of the Control and Auditing Administration of the Ministry of Finance and the agencies of people's control and institutions of Gosbank and Stroybank USSR in order to increase the effectiveness of control through joint efforts. There needs to be constant methodological and practical assistance for the workers of departmental control and seminars should be held with them more frequently for an exchange of work experience and the dissemination of the best methods of preventing, discovering, and eliminating violations and for ensuring the compensation of damages discovered by audits and checks.

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#### Kazakh SSR

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[Article by R. S. Bayseitov, minister of Finance of the Kazakh SSR: "An Event Which Has Determined the Fate of the Peoples of Our Country"]

[Text] Six decades ago, at the First All-Union Congress of Soviets, the Union of Soviet Socialist Republics was formed on the basis of the voluntary unification of sovereign Soviet republics. The creation of the world's first multi-national union state of workers and peasants was the greatest triumph of Lenin's nationalities policy. It was an historical event of exceptional importance which determined the further fate of the peoples of our country and of the young Soviet state.

With brilliant perspicacity V. I. Lenin substantiated the historical necessity for the unification of the republic into a single state union. He believed that such a unification was necessary for the accomplishment of the economic,



political, and defense tasks of the country as a whole and of each of its republics. This foresight proved its life-affirming power at all of the stages of the struggle for the construction of a new society: during the restoration period, during industrialization and the collectivization of agriculture, during the years of the Great Patriotic War, and during the post-war 5-year plans.

Basing itself on the indestructible friendship of our peoples as a source of the strength of our state, the Soviet Union has created a powerful economic potential, has achieved outstanding successes in science and culture, and has reliably strengthened its defense capacity. A developed socialist society has been built for the first time in the world in the USSR whose economy consists of a single economic complex which embraces all of the elements of social production, distribution, and exchange on the territory of the country. The direction of the economy is carried out on the basis of the state economic and social development plans, with regard to branch and territorial principles, and with the combination of centralized management and local economic independence and initiative.

Along with all of the fraternal republics, Soviet Kazakhstan is confidently going forward along the path of the construction of a communist society. Like the other former national outlying districts which had been doomed to backwardness, the republic has made a leap into socialism, bypassing the capitalist path of development. During the years of Soviet power and under the leadership of the CPSU and its fighting detachment--the Communist Party of Kazakhstan,--it has achieved outstanding successes in all of the fields of economics, science, and culture and in meeting the vital needs of people.

Kazakhstan's achievements have been crowned with three Orders of Lenin, an Order of the October Revolution, and an Order of the Friendship of Peoples.

Today's Kazakhstan is a highly developed industrial and agrarian republic whose multi-branch economy is characterized by enormous dimensions and dynamic development, the planned nature and proportionality of the siting of its productive forces, a high equipment level, and mature social production relations.

The branches of material production are represented in industry by 2,500 production and scientific production associations, combines, and enterprises which are on an independent balance; in construction there are more than 2,000 state construction and installation organizations and a substantial number of inter-farm construction organizations. In agriculture there are 2077 sovkhoses and 397 kolkhozes. They possess 237,000 tractors, 110,000 grain harvesting combines, 136,000 trucks, and 567,000 units of other agricultural machinery.

It should be kept in mind that the productive forces which came to Kazakhstan from the prerevolutionary period were very weak. Industry was dominated by handicraft and semi-handicraft enterprises, chiefly for the primary processing of agricultural raw materials. The mines, pits, and fields were primitive. They were the property of Russian and foreign, basically English capitalists. Even in the ore-rich Altay where the mining of nonferrous metals had been

conducted as early as the 18th century, at the time when the mines came into the hands of Soviet power there were only 108 mechanized engines with a total capacity of 3658 horsepower in them.

Agriculture was also backward before the revolution. The land was cultivated with a wooden plow containing an iron share (omach), a wooden harrow, and, in the best case, a single- or double-share iron plow; but even such tools were in insufficient supply. In pre-revolutionary Kazakhstan (including the Russian villages) the "material base" of agriculture consisted of 318,000 wooden plows, 229,000 horse-drawn plows, and 271,000 wooden harrows.\*

Pre-revolutionary and present-day Kazakhstan are two diametrically opposed poles not only with regard to the equipment level of agriculture, but also with regard to the yield from the latter, the quantitative and qualitative composition of the workers and employees employed in it--the chief productive force of society,--and the social composition of the population.

In 1980 the republic's industrial production had grown by 855 times compared to 1920; industry's share in the economy's total gross output came to 48.4 percent. Kazakhstan's productive forces at the end of the 10th Five-Year Plan made it possible for it to produce in a single day 168 million kilowatt-hours of electric energy, 315,000 tons of coal, 70,000 tons of iron ore, 261,000 pieces of under and outer knitted wear, and 83,000 pairs of leather shoes; in addition, it was able to use more than 22 million rubles of capital investments and to commission around 16,000 square meters of housing space.

The most important branches of industry which determine technological progress in all of the branches of the republic's economy are electric power engineering, ferrous and nonferrous metallurgy, the fuel, chemical, and petrochemical industries, machine building and metalworking, and the construction materials industry. The light and food industries are also developing rapidly.

The republic's construction industry has become powerful. In 1980 capital investments in the economy from all financing sources came to 8.1 billion rubles, which is 4.3 times more than during the entire first postwar 5-year plan. On the basis of the construction of new and the expansion and reconstruction of operating enterprises production capacities have been increased in electric power engineering, ferrous and nonferrous metallurgy, the coal, petroleum extraction, chemical, and petrochemical industries, the construction materials industry, the food and light industries, and agriculture. Fixed capital worth 8 billion rubles was commissioned, while during the entire 10th Five-Year Plan the figure was more than 35 billion rubles, compared to 1.6 billion rubles during the 4th Five-Year Plan. Residential housing with a total area of 5,960,000 square meters was built, thanks to which in 1980 618,000 people im-

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\*D. A. Kunayev, "Soviet Kazakhstan," Alma-Ata, 1980, p 9.

proved their housing conditions. General educational schools with a capacity of 85,600 pupils, preschool institutions with a capacity of 27,500 places, hospitals, clubs and Houses of Culture, and trade and domestic services facilities were built.

Thanks to the untiring concern of the party and government and to the realization of a long-term overall agricultural development program, the republic long ago became a major area for the production of grain and animal husbandry output. Compared to 1913, the areas sown to all agricultural crops have increased by 8.8 times, with the great majority of them occupied by grain crops. During the 10th Five-Year Plan Kazakhstan's share of the all-union production of grain calculated on an average annual basis came to 13.4 percent and that of wool to 23.1 percent. The average annual production of grain crops came to 27.5 million tons, and the sale of grain to the state came to 16.3 million tons. In 1981 our rural workers supplied the state graneries with more than 15.7 million tons of grain, including wheat, with more than 80 percent of the latter represented by strong, durum, and valuable varieties. The sale to the state of a billion poods of grain a year is becoming the norm.

During the 10th Five-Year Plan average annual milk purchases increased by 14.7 percent, eggs by 48.7 percent, and wool by 4.2 percent; the average weight of a head of cattle sold to the state increased by 10.5 percent.

The decisions of the May (1982) Plenum of the CPSU Central Committee are opening up broad prospects for the development of agricultural production. The workers of the finance system have to make their contribution to the realization of the Food Program. The economic control work of finance agencies and all of the elements of the agro-industrial complex has to be aimed at increasing the efficiency of economic work, boosting production and its profitability, and improving the quality and reducing the cost of agricultural output.

The successes of the republic's development are most vividly characterized by the growth indicators of the gross national product and of national income. In 1960-1980 the gross product in comparable prices increased by 3.4 times, and national income by 3.2 times. With respect to the growth rates of national income, both as a whole and per capita, Kazakhstan is outstripping the highly developed capitalist countries.

The population's standard of living has changed beyond recognition. On the basis of the growth of social production the well-being of the republic's inhabitants has been constantly improving. Both materially and spiritually they have begun to live more richly. From 1965 through 1980 per capita real income increased by more than two times. Payments and privileges for the population from the social consumption funds increased by three times, and per capita by 2.4 times.

Definite successes have been achieved in satisfying the population's demand. In 1980 the amount of retail commodity turnover in state and cooperative trade

came to 13 billion rubles. Compared to 1960, it had increased by 3.7 times in comparable prices. Its commodity structure also improved.

Housing construction is being conducted at rapid rates. During the postwar years residential houses with a total area of 176.5 million square meters have been built and commissioned. During the 7th-10th Five-Year Plans 14.5 million people improved their housing conditions. By the beginning of 1981 the urban housing fund had reached 95.7 million square meters, compared to 2 million square meters in 1913. Housing blocks are being beautified and apartments are being made more comfortable.

In Kazakhstan, as everywhere in the country, the problem of universal mandatory secondary education has been solved. The struggle to emerge from illiteracy and darkness--the heavy heritage of the past--was conducted from the first days of Soviet power. It began during the period of the Foreign Military Intervention and the Civil War when the conditions for it were extremely difficult. But despite the difficulties, teacher cadres were trained for Soviet schools, political educational institutions (clubs, libraries, reading rooms) were created, and the periodical press, including in the Kazakh language, was developed.

In pre-revolutionary Kazakhstan in 1914 there were 105,400 pupils in general educational schools of all types and in secondary specialized educational institutions. In 1980-1981 there were 6,262,000 people studying in the republic, including 3.3 million in general educational schools, 265,000 in secondary specialized educational institutions, and 260,000 in VUZes.

The republic has 9,500 mass libraries, around 9,000 clubs, and 10,700 movie installations. Books, periodicals, and newspapers, including in large part in the Kazakh language, are published in large editions.

It is planned to carry out an extensive program for improving the well-being of the people during the 11th Five-Year Plan. Paramount attention is to be given to providing the population with goods, improving housing conditions and medical services and living and working conditions, and accomplishing other urgent social tasks.

It is clear that the socialist transformation of Kazakhstan could not have been carried out without economic and cultural relations with the other republics, and without the friendship of their peoples. The involvement of all of the areas of the country with their natural and labor resources in the process of expanded reproduction, and the improvement of the siting of the productive forces in the country's single economic complex is strengthening the division of labor between the republics and making their economic relations increasingly close.

Kazakhstan supplies the output it produces to many areas of the country and, at the same time, itself receives from many of the republics machine tools and machinery, construction materials, ferrous metals, petroleum products, and many types of consumer goods. The output of Kazakhstan enterprises is now exported to more than 80 of the world's countries.

Many transformations on Kazakh land have become a symbol of the constructive labor of the people of the different nationalities of our country. The first and the largest of them is the construction of the Turkestan-Siberian Railroad. In May 1929 around 40,000 workers and employees were laboring on the Turksib. Among them were people from Moscow, Leningrad, Dnepropetrovsk, the Urals, the Donbass, and other large industrial centers of the country. The all-peoples' construction project was conducted with shock rates and was completed in three years, 17 months ahead of schedule. The Turksib was a remarkable school for the education of worker cadres and for the strengthening of the friendship of the peoples of our country. This road played a large role in the development of the productive forces and in the transformation of the economy of vast areas not only of Kazakhstan, but also of Siberia and Central Asia. The larger part of the main line went through desert and semi-desert areas of the republic, creating centers of life all along its route.

In the 1950's the virgin lands became the epic of socialist construction and of the indestructible friendship of all Soviet people. With the help of all of the fraternal republics the workers of Kazakhstan developed the virgin lands on an area of 25 million hectares in a brief period.

Like the construction of the Turksib and the opening up of the virgin lands with the participation of all of the fraternal republics, work is being performed today on a wide scale in the Pavlodar-Ekibastuz Territorial Production Complex which has become a very important area of the republic's fuel and energy industry. On the basis of the coal stocks here it is planned to build five state regional hydro-electric and power stations with a total capacity of 20 million kilowatts. After they are commissioned, by making use of local fuel they will be able to send the country's central areas and the Urals around 55 billion kilowatt-hours of electric energy annually. This will produce an enormous economic effect. For at the present time several thousand railroad cars containing coal are dispatched every day from Ekibastuz to various places in the country. The electric energy of the Ekibastuz Fuel and Energy Complex will serve to further advance the economies not only of Kazakhstan, but also of Western Siberia, Central Asia, the Urals, and the central areas of the European part of the country, particularly the Nonchernozem Zone of the RSFSR.

The republic's present-day cadre and technical possibilities are convincingly indicated by the fact that Kazakhstan is not only a place for the application of the international labor of fraternal peoples, but itself participates in an organized way in all-union communist construction projects on the territory of other republics. Thus, the specialized construction and installation train "KazakhBAMstroy" is performing construction at BAM with the rights of a trust on passenger facilities and on the residential settlement of Chara. For the period of the construction it has subordinated to it the cost accounting construction and installation sectors of four of the republic's ministries and of one of its main administrations--the Ministry of Heavy Construction, the Ministry of Rural Construction, the Ministry of Special Construction and Installation Work, the Ministry of Motor Vehicle Roads, and the Main Administration for Construction in the city of Alma-Ata.

In accordance with the amounts of construction and installation work which have been established for them, organizations of the republic's Ministry of Rural Construction, Ministry of Motor Vehicle Road Construction, and Glavrissovkhozstroy are building residential houses, motor vehicle roads, and land improvement systems for the agricultural enterprises and organizations and the branches connected with them in Perm' Oblast of the Nonchernozem Zone of the RSFSR.

Soviet finances, the central element of which is the state budget, have played an important role in the economic and social development of Kazakhstan.

The State Budget of the Kazakh SSR, like the budgets of all of the other union republics, is a component part of the single USSR State Budget.

The establishment, strengthening, and development of the budgets of the union republics have always been at the center of the attention of the Communist Party and Soviet government. As early as the 12th Party Congress which took place in 1923 the necessity was pointed out of granting the republics sufficiently broad budgetary rights to make it possible for them to show state-administrative initiative and activeness in economic and cultural construction.

During the years of Soviet power the capital which has been accumulated in Kazakhstan in a planned manner and distributed through the budget has played an important role in eliminating the actual inequality of the previously oppressed Kazakh people and has fostered the rebirth and socialist transformation of the republic and the flourishing of its economy and culture.

From 1940 through 1981 the total expenditures of the republic's budget increased by 61.2 times, including 72 times for social and cultural and economic measures; in 1940 the share of the expenditures for these purposes in the total budgetary expenditures came to 81.2 percent, in 1960--94 percent, and in 1981--95.6 percent.

There was an especially rapid growth of the budget of the Kazakh SSR beginning with the 6th Five-Year Plan (1956-1960). Beginning with that time, in addition to the usual allotments to its budget from all-union state taxes and income, the republic also received from the State Budget large amounts of monies to finance the accelerated development of the economy and to exploit its rich natural resources. In slightly more than a quarter of a century (1956-1981) Kazakhstan has been allocated 13,9 billion rubles from the State Budget; the share of these funds in the expenditures of the republic budget has come to around 10 percent, including 16.4 percent of the expenditures for the economy. This kind of redistribution of funds is possible thanks to the unity of our financial system and to our common tasks and goals which make it possible to take account of the concrete distinctive characteristics of the individual union republics in the interests of the planned progress of our entire socialist economy and of ensuring correct economic development proportions on a country-wide scale.

It can be seen from the example of the Kazakh SSR that the unification of the budgets of the union republics and of the union budget into a single USSR State Budget is an expression of the fraternal cooperation and mutual assistance of the peoples of the USSR.

Every year the income part of the State Budget of Kazakhstan is overfulfilled, and there is uninterrupted financing for all of the economic and social development measures stipulated by the plan. In 1981 10,467,000,000 rubles came into the budget's income, and of this amount 230 million rubles were in excess of the plan. The income plan was fulfilled for all of the republic's 2,911 budgets. During the first quarter of 1982 24.6 million rubles of above-plan receipts went into the budget's income.

These indicators have been achieved thanks to the successful work of the branches of the republic's economy, and also to the realization by finance agencies of the necessary measures for the additional mobilization of financial resources into the budget.

A positive evaluation is merited by the work of the finance agencies of Chimkent Oblast (chief of the oblast finance agency--T. K. Kazakhbayev) where the plans for the receipt of state income and taxes from the population have been fulfilled. In 1981 the collective of the oblast finance agency was awarded class places in the results of the All-Union Socialist Competition every quarter. Good results were achieved by the finance agencies of Aktyubinsk (chief of the oblast finance agency--T. A. Aldiyarov) and Kustanay Oblasts (chief of the oblast finance agency--V. L. Gunikov) who last year twice occupied high places for their competition results.

The computation checks which are performed by finance agencies of accounting reports and of association, enterprise, and organization balances, and also the analysis of their financial and economic work are of great importance in the complex of measures to discover and mobilize intra-enterprise reserves and payments to the budget. One can judge the effectiveness of this work from the work of the Senior Economist for State Income of the Temirtau City Finance Department V. V. Proymina who in checking the accounting report and balance of the Karaganda Metallurgical Combine discovered instances of the writing off of shortages of fuel onto the cost of output, classifying extra-production expenditures as production expenditures, and so forth. On the basis of the results of the check, balance profits were increased by 753,700 rubles, and payments to the budget by 642,000 rubles.

During a computation check in the Chimkent "Fosfor" Production Association the Senior Economist of the State Income Department of the Chimkent City Finance Department K. V. Kim established reporting data distortions in the 1981 balance, and as a result of their elimination balance profits was increased by 380,000 rubles, and payment to the budget by 83,300 rubles.

For their skilled computation checks of accounting reports and balances and for their effective realization of the materials V. V. Proymina and K. V. Kim

have been awarded Honorary Testimonials of the Ministry of Finance Kazakh SSR and the Presidium of the Kazakh Republic Committee of the Trade Union of State Institution Workers, and they have been presented with monetary bonuses. Many other workers of the republic's finance agencies have also been rewarded for the high quality of their checks.

In order to accomplish the tasks before finance agencies measures are being taken in the republic to improve economic and control work which provide, in particular, for a constant deep analysis and comprehensive study of the economic indicators of the work of the branches of the economy, and for increased effectiveness in the control of the financial and economic work of ministries, departments, associations, enterprises, and organizations.

In accordance with the decisions of the 26th CPSU Congress and the 15th Congress of the Communist Party of Kazakhstan, during the current 5-year plan the republic will take a large new step forward in the development of all of the branches of the economy and in increasing the efficiency of social production. During the years 1981-1985 national income will increase by 20 percent, industrial production by 25 percent, agricultural output (in average annual terms) by 12 percent, and state capital investments by 12.7 percent. It will be necessary to utilize 35.5 billion rubles of state capital investments, including 23.5 billion rubles for the enterprises subordinate to the Kazakh SSR Council of Ministers.

The balanced development of the economy is making it possible to carry out major social program measures. During the 5-year period the population's real income will increase by 16 percent, and the average monthly wages of workers and employees by 16.2 percent. Retail commodity turnover in state and cooperative trade will increase by 25.4 percent, and the volume of domestic services by 49 percent, including 52 percent in rural areas. Residential houses with a total area of 31 million square meters will be built, and 3 million people will improve their housing conditions.

The fulfillment of the republic's economic and social development plans for the 11th Five-Year Plan will require enormous financial resources, including from the State Budget which is the basis for satisfying the great majority of the economy's needs. During the first two years of the 5-year plan alone budgetary appropriations for the development of the economy and for social and cultural measures will come to more than 18.7 billion rubles, and during the entire 5-year period to approximately 50 billion rubles.

Such financing dimensions oblige everybody who participates in the execution of the State Budget to a great deal. Enterprises, organizations, and institutions have to carry out their commitments to the budget in full and on time, and they have to make use of budgetary and of their own capital in a proprietary, thrifty, and rational manner.

The daily efforts of the collectives of all of the elements of the republic's finance system are aimed at further improving their work methods, improving



budget planning, increasing the effectiveness of preliminary and subsequent financial control in the economy, and ensuring the execution of the budget in its growing amounts.

The republic possesses large unutilized reserves for increasing the amount and efficiency of social production and for increasing the resources of the budget. In Kazakhstan there are still quite a few enterprises and organizations which for various reasons do not fulfill their planning assignments for one or another indicator. Their production and financial work should be under the increased control of superior economic organizations, and also of the agencies of the financial and credit system, of people's control, and of the ispolkoms of the local Soviets of People's Deputies. The elimination of the shortcomings which are discovered here will help to cope with the economic and social development plans even more successfully.

The workers of Kazakhstan connect all of their achievements with the name of the great Lenin, with the Leninist nationalities policy, and with the organizing and directing work of the CPSU. They are persistently struggling for the implementation of the decisions of the 26th CPSU Congress and the 15th Congress of the Communist Party of Kazakhstan, and will celebrate the 60th anniversary of the formation of the Union of Soviet Socialist Republics with new labor successes.

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## REGIONAL DEVELOPMENT

### UNION REPUBLIC GOSPLAN OFFICIALS DETAIL PROGRESS

#### Ukrainian SSR

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 7, Jul 82 pp 8-16

[Article by V. Masol, deputy chairman of the Ukrainian SSR Council of Ministers and chairman of the UkSSR Gosplan: "In the Community of Fraternal Peoples--Toward the Common Goal"]

[Text] The formation and successful development of the USSR is a most important landmark in the social progress of all mankind. And for this reason the path which our country has trodden in the last six decades is particularly impressive.

The CPSU Central Committee decree on the 60th anniversary of the formation of the USSR contains words to the effect that history knows of no other state which could have done in the shortest of times so much for the all-around development of the nations and nationalities as the USSR--our socialist fatherland.

The Ukrainian people were one of the first to warmly support Lenin's idea of the creation of a fraternal community of free, equal republics. With the help of the great Russian people the Ukrainian working people brought to a victorious conclusion their long struggle for freedom, equality and social justice.

In the fraternal family of Soviet peoples and thanks to their creative cooperation, mutual assistance and constant support, the Ukrainian SSR has prospered, having been turned from a backward outlying region of tsarist Russia into a strong industrial-agrarian republic.

Historical experience shows that the successful development of each republic's economy depends on the economic might of the country as a whole. Practice has corroborated completely the scientific soundness of Lenin's plan of the building of socialism by way of the creation in the country of a powerful heavy industry, the cooperativization of the broad peasant masses and the implementation of a cultural revolution.

## Looking Back at the Path That Has Been Traveled

Lenin's plan of the economic building of the young Country of Soviets had to be implemented at a most difficult time. In the Ukraine the working people had also been bequeathed from tsarist Russia an economy which had been almost entirely devastated by wars, the rampaging White Guard and bourgeois-nationalist bands and foreign counterrevolution.

It is sufficient to say that in 1921 the Ukraine's gross industrial product constituted only 12 percent of the prewar level. Only 6.5 million tons of coal were produced and 80,000 tons of pig iron and 130,000 tons of steel were smelted in 1922. The production of iron and manganese ores and also coke had ceased entirely by this time. Agriculture was in a grave situation.

Embarking on the planned restoration of all sectors of the economy, the Soviet people set about implementation of Lenin's plan of the country's industrialization. In the Ukraine, as in the country as a whole, a great deal of work was performed on the construction of new and the modernization of operating enterprises and the socialist transformation of agriculture.

The Shterovka Thermal Regional Power Station in the Donbass--the pioneer of the republic's power-engineering construction--had been installed by 1926.

Understanding the need for the accelerated pace of industrialization, the working people of the Ukraine, like the entire Soviet people, displayed veritable labor heroism. The increase in labor productivity and the reduction in prime production costs ensured a growth of profits, which afforded an opportunity for increasing expenditure on the development of heavy industry. Some R436.6 million (in prewar prices) were invested in industry in 1928-1929.

The first results of socialist industrialization were observed. In three years (1926-1929) the Ukraine's gross industrial product increased 124 percent. The construction of 374 new industrial enterprises, including the Dneprovsk GES, which was the most powerful in Europe at that time, began in 1926-1927. Engineering plants and coal mines were constructed rapidly. A most important condition of the socialist industrialization of the Soviet Ukraine was the disinterested assistance of the great Russian people and other peoples and, particularly, the working people of Kazakhstan.

Dneproges and Turksib! These names were and are eternal symbols of the country's industrial upsurge. The workers of the Turksib, among whom were 15,000 emissaries of the Ukraine, competed with the Dneproges construction workers. The shock workers of the Dneproges went to Central Kazakhstan to assist in the installation of the Nurn Dam not far from Karaganda.

The Dneproges construction workers were followed to Karaganda by approximately 500 emissaries of the Donbass also--skilled workers, engineers and technicians. Hereditary miners passed on their knowledge and experience to yesterday's nomads.

At the same time hundreds of young men of Kazakhstan came to the Donbass to acquire the skills of breakers, tunnelers and cutting-machine operators in the mining region of the Ukraine.

The Donbass constantly exercised patronage over the Kazakh miners--both at the time of the construction and assimilation of the mines in the Karaganda coal basin at the start of the 1930's and in subsequent years. The friendship of the miners of the two fraternal republics has been developing and strengthening for five decades now.

Approximately 400 industrial enterprises and power stations, including the Khar'kov Tractor Plant and the Dneproges imeni V.I. Lenin, which were the biggest in Europe, were built and commissioned in the course of the successful fulfillment of the First Five-Year Plan in the Ukraine. Socialist production relationships were established in agriculture.

In the Second Five-Year Plan the main attention was paid to the accomplishment of the task of the development of ferrous metallurgy and engineering, which was tackled simultaneously with the tasks of electrification.

A very big industrial complex composed of metallurgical, aluminum, electric steel-smelting, engineering and a number of other enterprises was created on the basis of the Dneproges. Such metallurgical giants as the "Azovstal'," "Zaporozhstal'" and "Krivoyrozhstal'" plants, the ferroalloys and aluminum plants in Zaporozh'ye, the pipe plant in Nikopol', the major engineering enterprises in Khar'kov, the heavy engineering giant in Kramatorsk, the mine equipment plant in Gorlovka, the locomotive-building plant in Voroshilovgrad, machine-tool-building and other enterprises in Kiev, Khar'kov and Odessa and a large number of enterprises of other sectors of industry were commissioned.

The Soviet Ukraine became a powerful industrial republic. In the Second Five-Year Plan the gross industrial product more than doubled. The socialist sector, which in 1936 accounted for 99.8 percent of the gross product and 97.7 percent of the total agricultural product of the republic, was finally victorious in the republic's economy.

On the eve of the Great Patriotic War (1941-1945) the UkSSR took a big new step forward along the path of industrial development. In 1940 some 92 percent of the republic's entire industrial product was produced at new and modernized enterprises and the level of mechanization of production processes increased sharply. The heavy industry product in 1940 was almost 10 times greater than that of 1913. Power generation in this period increased by a factor of 25 and the manufacture of engineering and metal-working products by a factor of 29.

Further peaceful development was prevented by the perfidious attack of the German-fascist aggressors. In the deadly engagement with fascism the Soviet people, under the leadership of the Communist Party, endured and conquered and showed the whole world their unshakable loyalty to the ideas of October.

The indestructible unity of our country's brother-peoples, which had been raised on the ideas of Marxism-Leninism and proletarian internationalism, was manifested particularly strikingly in the war years.

Active assistance in the preservation of Ukrainian industry in the war years was rendered by the peoples of Kazakhstan and Central Asia. The Kazakh SSR took over 52 enterprises from the Ukraine, Kirghizia 27. We also succeeded in bringing out 20-40 percent of the enterprise workers--the most able-bodied and skilled personnel--who had to ensure the commissioning of the enterprises and the buildup of production capacity.

Together with the development of the production capacity evacuated to the east Ukrainian specialists considered it their duty to train working class personnel. Approximately 19,000 workers from the local population were trained at heavy industry enterprises alone in Kazakhstan.

The cooperation and direct creative contacts of the Ukraine's scientists, artists and writers, who paid great attention to questions of the development of the economy and culture of the fraternal peoples on whose territory they were residing, was close. They also did much to popularize the achievements of Ukrainian art, literature, theater, motion pictures and music.

Victorious in the Great Patriotic War, the Soviet Union embarked anew on peaceful building. In this period the Ukraine's working people had to surmount tremendous difficulties. The Hitlerites had destroyed and burned in our republic 714 cities and communities, more than 28,000 villages and approximately 40 percent of residential buildings. Almost 10 million persons were homeless. Over 16,000 enterprises had been turned to ruins, and thousands of kolkhozes and sovkhozes were destroyed. The Ukraine's material losses alone were put at R285 billion or \$54 billion at the prewar rate, which was more than three-fourths of the total losses of the 19 countries which participated in the anti-Hitler coalition (excluding the USSR).

But the most serious losses are human losses. Some 4.5 million peaceful citizens of the republic perished in the fire of the war, and the fascists forcibly sent two million persons to hard labor in Germany. This was 16 percent of the population living in the UkSSR in 1941.

All the republics and all the peoples of our socialist motherland helped restore the Ukraine's economy. Trains bearing equipment, building materials, clothing and food came from all parts of the country.

Together with the great Russian people and other fraternal peoples the working people of Kazakhstan also responded to the State Defense Committee's appeal concerning the speediest restoration of the coal industry of the Donbass. In October 1943 a general meeting of the Karaganda Obkom Bureau and Oblispolkom adopted a decision on the establishment of patronage and the rendition of practical assistance in the restoration of the economy of the liberated areas of the fraternal Ukrainian republic.

Miners and construction workers and trains with machinery, mining equipment, livestock and food came to the Donbass from Karaganda....

The party organizations of Kazakhstan's kolkhozes and sovkhozes organized the extensive purchase of livestock for the Ukraine's public organizations. In Kustanay Oblast alone the kolkhoz members purchased for their Donetsk friends 10,570 head of cattle. There are many such examples.

As a result of the disinterested assistance of all the fraternal republics and the allocation from the country's budget of R8 billion of capital investments, the Ukraine's economic might was not only restored but also considerably enlarged in the Fourth Five-Year Plan (1946-1950). Industrial production in the Fourth Five-Year Plan increased by a factor of 4.4 and exceeded the prewar level by 15 percent. Agriculture, transport and other sectors were restored on a new technical basis.

Describing this period in the life of the country, Comrade L.I. Brezhnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, provided a very precise evaluation of it in the book "Revival": "The whole world was shown for the umpteenth time the inexhaustible resources of the socialist economy, the possibilities of our planned economy and the great might of the country, which, when necessary, can regroup forces and concentrate them in the main areas."

New tasks for the further development of the republic's economy were tackled in the Fifth and Sixth five-year plans. In the period 1951-1955 the gross industrial product increased 91.4 percent in the UkSSR. Some 527 new large-scale industrial enterprises, 150 coal mines and open pits, a number of new oil and natural gas deposits, 11 highly mechanized powerful blast and 27 open-hearth furnaces, 21 rolling and tube mills, 7 engineering plants and a number of large-scale plants and power stations were commissioned. The Kakhovka Hydro-power Station produced industrial current in 1955. Engineering developed rapidly.

The world's biggest blast furnace was inaugurated at the Krivoy Rog Plant imeni V.I. Lenin and the construction of the world's most powerful continuous steel-casting installation was completed at the Donetsk Foundry in 1960. A number of new chemical industry enterprises, particularly the Chernigov and Cherkassy Custom Fiber plants and others, was commissioned.

The Ukraine's working people generously shared practical work experience with the workers of other fraternal republics. Thus in 1957, at the time of the construction of Kazakhstan's Magnitka (Temirtau), Ukrainian enterprises were visited by a group of Kazakhstan's workers and engineering-technical personnel to assimilate progressive methods of blast furnace installation. The technology for electroslog welding for the new Kazakh construction site was developed by scientists of the UkSSR Academy of Sciences' Arc Welding Institute imeni Ye.O. Paton.

Long friendship has linked the collectives of the Ust'-Kamenogorsk Titanium-Magnesium Works and the Zaporozh'ye Titanium-Magnesium Plant since the first

days of the production of the "alate" metal in Kazakhstan. More than 15 years ago, when this production, which was new for the KaSSR, was being assimilated, nonferrous metallurgy foremen and engineers from Zaporozh'ye participated in the tuning and startup of the equipment. Metallurgists of the two cities have maintained constant ties since that time.

The UkSSR has rendered and continues to render Kazakhstan great assistance in the socialist transformation of agriculture. It was particularly significant at the time of the virgin land assimilation. In the period 1954-1956 over 80,000 young men and women left on Ukrainian Komsomol passes at the party's appeal for the development of the virgin and unused land of Siberia and Kazakhstan. More than 90 of the Ukraine's enterprises manufactured machinery, equipment and material for the virgin land. Such plants as the Kherson Combine Plant imeni Petrovskiy, the Zaporozh'ye "Kommunar" and the Kamenets-Podol'skiy Agricultural Machinery Plant were engaged in the production of agricultural machinery for the virgin land areas. In the first three years (1954-1956) 15,000 Khar'kov tractors and 11,500 tractors of the Dnepropetrovsk Engineering Plant, 9,400 combines, 1,000 grain-cleaning machines and much other agricultural equipment were sent to Kazakhstan from the Ukraine. In subsequent years (1961-1962) almost half of all the tractors and tractor plows manufactured in our republic was sent there. Kazakhstan is now the leader in terms of agriculture's provision with equipment. The Ukraine's scientists investigated in Kazakhstan approximately four million hectares of new land suitable for development. Some 94 new farms were created on the virgin land with the Ukraine's help. The names of many of them: "Dnepropetrovskiy," "Kiyevskiy," "Krasnodonskiy," "Odesskiy" and "Simferopol'skiy" indicate by whom they were organized and with whose personnel they were staffed.

In the Seventh and subsequent five-year plans big new successes were scored in all fields of communist building in the UkSSR. The social production growth rate rose, its efficiency increased and there was a spurt in the growth of the people's material well-being.

An important step forward on the path of strengthening the country's economy was taken in the 10th Five-Year Plan. It marked the start of a new, higher stage of the creation of communism's material-technical base--that of developed socialism. Its characteristic features were the sharply increased scale and dynamism of the development of the national economy, the growth of the pace of scientific-technical progress, the strengthening and extension of interrepublic economic and scientific-technical relations, the increased efficiency of social production and a considerable upsurge in the working people's well-being.

In the indestructible fraternal alliance of Soviet peoples the UkSSR has scored new successes in economic and cultural building. Comrade V.V. Shcherbitskiy, member of the CPSU Central Committee Politburo and first secretary of the Ukrainian Communist Party Central Committee, observed at the 26th Ukrainian Communist Party Congress: "That which is truly great becomes visible from a distance. Looking back with our mind's eye at all that has been done in the five-year plan, we recognize distinctly today what new high frontiers have been taken by the labor, mind and talent of our people. And it would be no exaggeration to say: we have every reason to be proud of what has been done and what we have achieved."



Compared with the Ninth Five-Year Plan the national income in the republic increased by almost R70 billion or 22 percent. Industrial production increased by R123 billion or by almost one-third. Some R4.8 billion of products were sold over and above the plan.

### The Ukraine Today

Today the UkSSR is a highly developed industrial republic with a highly mechanized agriculture, possessing strong production and scientific-technical potential. The Ukraine's population stands at over 50 million, and its territory is approximately 604,000 square kilometers.

Our republic produces almost one-fifth of the Soviet Union's entire industrial and agricultural product. And its relative significance is considerably higher in a number of most important products. The UkSSR now produces annually 3.8 times more products than all of USSR industry in prewar 1940.

Big measures are being implemented in the republic in the accomplishment of the key task--an increase in production efficiency and produce quality. Approximately 700 new types of machinery, equipment, apparatus, instruments and means of automation were created, 2,300 mechanized flow and transfer lines were installed at industrial enterprises and approximately 900,000 inventions and production-efficiency proposals were introduced last year. The proportion of products of the highest quality category in overall industrial production constituted approximately 17 percent. The series manufacture of 900 new types of industrial product was assimilated and begun.

A leading place in the republic's economy is occupied by power engineering. A large number of thermal power stations, including such major ones as the Krivoy Rog, Zaporozh'ye and Uglegorsk GRES, each with a capacity of three million kilowatts and more, and also the Zmiyevka, Pridneprovskaya, Burshtyn, Voroshilovgrad and other power stations operate here. The construction of a cascade of hydropower stations on the Dnepr has been completed. A start was made on the development of nuclear power engineering with the commissioning in the last five-year plan of the first stages of the Chernobyl' and Rovno AES.

The world's first international power line with a tension of 750 kilovolts--Vinnitsa (UkSSR)-Albertirsa (Hungary)--which was built by the joint efforts of the CEMA countries, was commissioned three years ago. Some 321 billion kilowatt hours of electric power were generated in 1981.

A big role in the development of the economy of the USSR and the republic belongs to the Ukraine's coal industry, which provides fuel not only for our republic but also for the neighboring republics of Belorussia and Moldavia and some RSFSR oblasts. New large-scale comprehensively mechanized and automated mines are being installed in this sector. Operating mines are being rebuilt and modernized. The application at the coal enterprises of progressive techniques and new equipment is providing for a big increase in coal production.

A most important sector of the republic's industry is ferrous metallurgy, and it occupies first place in Europe in the production of metal products and is of high relative significance in union production.



A strong chemical and petrochemical industry, which now produces roughly one-fifth of the Soviet Union's entire chemical product, has been created in the Ukraine.

Many chemical and petrochemical enterprises are being built and modernized. A number of large-scale facilities here has been created on the basis of compensation agreements or as a result of other forms of foreign economic cooperation. These include the Odessa Port Plant, the Gorlovka Ammonia Pipeline-Odessa Port Plant and a complex for the production of polyethylene in Severodonetsk. Effective cooperation in reciprocal supplies of raw material and chemical products within the framework of programs of socialist integration of the CEMA countries continues.

Engineering output is broad and diverse--from giant turbines and rolling mills to the tiniest precision instruments.

We have a highly developed light industry, which manufactures a variety of consumer goods. The republic's light industry now consists of the very big Kherson, Ternopol' and Donetsk cotton works, the Chernigov Worsted-Cloth Works, the Zhitomir and Rovno flax works, the Cherkassy and Darnitskiy silk works and a considerable number of knitwear, garment and footwear factories and other enterprises.

A large place in the manufacture of industrial products--almost one-fifth--is occupied by food industry--a highly developed industrial sector. Existing fixed production capital enables us to process annually over 50 million tons of sugar beet, approximately 2.5 million tons of sunflower seeds, more than 1 million tons of grapes, approximately 15 million tons of milk, 4 million tons of livestock and poultry meat and over 3 million tons of vegetables and fruit.

The main leading sectors in the republic's food industry are the sugar, butter-fats and meat and dairy sectors. In particular, the sugar sector alone has approximately 200 enterprises and occupies the leading place in the country in the manufacture of granulated sugar from beet.

Together with a strong industry a worthy place in the modern economy of the UkSSR is occupied by highly developed agriculture. Currently the kolkhozes and sovkhozes produce approximately nine-tenths of the republic's entire commodity agricultural product.

Vladimir Il'ich Lenin once dreamed of 100,000 tractors for agriculture. But now the annual production of "steel horses" in the Soviet Ukraine alone is far greater than this figure. Approximately 409,000 tractors, 90,000 grain-harvesting combines, almost 318,000 trucks and a large quantity of diverse other equipment now operate on the fields of the republic's kolkhozes and sovkhozes. Over R25 billion were channeled in five years (1976-1980) into the strengthening of the sector's material-technical base. The power-worker ratio here increased by a factor of 1.6.

The strengthening of the material-technical base of the kolkhozes and sovkhozes and the implementation of a set of economic and organizational measures created

a firm basis for an increase in the yield of agricultural crops, a growth of the productiveness of animal husbandry and an improvement in all the most important indicators of the economy's agrarian sector.

In the 10th Five-Year Plan, for example, the average annual production of grain exceeded 43 million tons and that of sugar beet reached almost 64 million tons. The production of meat in dressed weight constituted 3.5 million tons and that of milk 21.8 million tons.

Capital construction is under way on a vast scale in the Ukraine, as in the Soviet Union as a whole. It is increasingly becoming a mechanized process of the installation of buildings and structures from elements of plant manufacture. Over 150 large-scale industrial enterprises and approximately 1,900 most important production facilities and capacities and many socio-cultural and everyday facilities were built in the 10th Five-Year Plan in the republic.

Roughly R94 billion--more than were assimilated in the period 1928-1963 altogether--were spent on capital construction in the republic in the 10th Five-Year Plan alone.

Much may be said of the development of railroad, motor, air, sea, river and pipeline transportation. We rightly call them the arteries of the economy. Last year the railroads alone shipped almost one billion tons of national economic freight.

The unswerving upsurge of the people's well-being is a logical process brought about by the plan-oriented nature of social relations under socialism and its objective thrust toward the increasingly full satisfaction of the requirements of the members of society and the creation of the conditions for their all-around development. All for the good of man, all in the name of man--such is the demand put forward by the CPSU, and it is the highest goal of its economic strategy.

A wide-ranging program of measures for an improvement in the people's material and cultural living standard is being implemented in the Ukraine, as throughout the country. As a result of implementation of the CPSU's social program the wages of workers and employees increased by a factor of 1.3 and kolkhoz members' pay by a factor of 1.5 in the last 10 years. Payments and benefits received by the population from the social consumption funds doubled in the last decade compared with the previous decade.

Housing construction is under way on a huge scale here. Apartment houses with a total area in excess of 90 million square meters were introduced in the republic in the 10th Five-Year Plan alone, which enabled almost eight million persons to improve their housing conditions.

Municipal and consumer services and city and village improvement have reached a high level. Subway systems operate in the cities of Kiev and Khar'kov, and a subway is being built in Dnepropetrovsk.

Science and culture have flourished. There has been a genuine cultural revolution, and the transition to universal compulsory secondary education has been

completed. Some 883,000 students are receiving instruction in 147 VUZ's. Some 5.65 million specialists with higher and secondary education currently work in the Ukraine.

The republic Academy of Sciences, which was founded in 1919, has become a major scientific center of the USSR where more than 13,000 research assistants work. Approximately 200,000 of these work in the republic altogether. The Ukraine's academic institutes--the Arc Welding Institute imeni Ye.O. Paton, the Institute of Superhard Materials, the Institute of Problems of Materialogy, the Institute of Cybernetics, the Physico-Technical Institute of Low Temperatures and others --are well-known far beyond the confines of the country.

Some 87 professional theaters, 25 philharmonic societies and a large number of ensembles and choral groups operate in the Ukraine.

The successes that have been scored and the further development of the economy would have been and would be impossible without close economic cooperation with the fraternal Soviet republics.

"The economy of each republic," the CPSU Central Committee decree "60th Anniversary of the Formation of the USSR" says, "occupies an important place in the social division of labor and is making an increasingly impressive contribution to the country's national wealth. Multinational production, scientific and creative collectives have taken shape and are working successfully everywhere. This is a noteworthy social and sociopolitical phenomenon of our times."

The strong economic potential and extensive complex of diverse natural resources determine the Ukraine's place in the social division of labor and interrepublic economic relations.

In the system of interrepublic product exchange the leading place is occupied by the RSFSR. The Ukraine supplies the RSFSR with rolled ferrous metals, iron and manganese ores, coal, locomotives, agricultural machinery, excavators, trucks and passenger cars, equipment, mineral fertilizers, cement and agricultural products. Oil and petroleum products, lumber, trucks and passenger cars, equipment for various sectors of industry, cloth, clothing, footwear, fish, canned fish products and so forth are imported from the RSFSR.

The UkSSR also has close contacts with the KaSSR. The Ukraine receives from Kazakhstan nonferrous metals (mainly zinc and lead), mineral fertilizers, coking and power-generating coal, a varied assortment of rolled ferrous metals, engineering and metal-working products, particularly rolled equipment, pipeline fixtures and metal-cutting machine tools, excavators and also light industry commodities--woolen yarn, leather raw material, Russian leather goods, leather footwear, virgin wool, cotton cloth and garments.

Engineering and metal-working products--diesel engines, diesel generators, small-capacity electric motors, rolled equipment, petroleum apparatus, pumps, metal-cutting machine tools, motor vehicles, buses, tractors, plows and sowing machines--predominate in UkSSR exports to Kazakhstan. Cotton cloth, silk, wool, linen and knitwear products and cultural-everyday commodities--bicycles,

television and radio receivers, cameras, vacuum cleaners and furniture--are also exported. Supplies of structural glass, garments and leather footwear have increased in recent years.

#### A Little About the Future

Extensive new vistas for the consistent upsurge of the republic's economy and a rise in the working people's living standard are revealed by the plan of the republic's economic and social development in the 11th five-year period. The plan provides for the unswerving implementation of the Communist Party's economic policy and the accomplishment of the main task of the five-year plan formulated by the 26th CPSU Congress--ensuring the further growth of Soviet people's well-being on the basis of the stable on-going development of the economy, the acceleration of scientific-technical progress and the transition of the economy to the intensive path of development, the more rational use of production potential, the utmost economies in all types of resources and an improvement in work quality.

The five-year plan determines the concrete frontiers which have to be reached in the current five-year period and envisages a steady growth rate of the republic's economy.

It is planned that the Ukraine's national income will increase almost 20 percent and that industrial production will grow 20-23 percent and the agricultural product (on an annual average) 12 percent. There will also be an increase here in the absolute product increases compared with the 10th Five-Year Plan.

An increase in efficiency, a growth of labor productivity and improvement in the use of fixed production capital and fuel, energy and raw material resources are envisaged in all sectors of material production.

In the current five-year plan there will be an appreciable growth of labor productivity, and this factor will account for 96 percent of the increase in national income.

It is planned to secure the labor productivity growth predominantly thanks to the acceleration of scientific-technical progress and an improvement in the organization of labor and the use of production potential. It is planned to transfer more than one million persons from manual to mechanized work as a result of the mechanization and automation of production processes.

The extensive use of goal-oriented comprehensive programs is something new in questions of the introduction of science and technology in production.

For the current five-year plan six republic goal-oriented comprehensive programs have been developed for the first time: "Energy Complex," "Metal," "Material Consumption," "Agrarian Complex," "Sugar" and "Labor." They stipulate the final goals, specified times and stages of the performance of operations and their material-technical and financial support. The republic is fulfilling the quotas of more than 160 all-union programs. Some 35 republic programs for the solution of the most important problems are also being implemented, and 37 republic

programs are oriented toward a reduction in the use of manual labor. These programs perform the role of levers of an increase in production efficiency and a strengthening of the practice of economies.

A savings of 62 million tons of organic fuel will be secured in the republic's power engineering as a result of realization of the targets of these programs. This would be sufficient for the operation of all the Ukraine's thermal power stations for a year. Furthermore, transportation costs are reduced also--by almost R100 million--and one million railroad cars will be freed for other needs. In the course of realization of these targets more than two million tons of metal will have been saved in ferrous metallurgy by the end of the five-year plan compared with 1980, and the efficiency of the operation of other sectors of the economy will have increased.

The plan pays great attention to the development of the base sectors of heavy industry like fuel-energy, metallurgy, chemicals and engineering.

The main accent is placed on the development of nuclear power engineering. Six AES will be built in 1981-1985. The entire increase in the generation of electric power will be obtained thanks to its generation at AES.

Work on the construction and modernization of coal enterprises and the retooling of operating mines will continue.

In ferrous metallurgy the main attention is being paid to an improvement in the quality and an increase in the manufacture of efficient types of metal products. Whereas it is planned to increase the production of finished rolled metal 18.7 percent, the manufacture of high-quality and efficient types of rolled metal is to increase by a factor of 1.5-2.5.

The production of chemical and petrochemical products will grow rapidly. The manufacture of mineral fertilizers will increase 22.5 percent.

It is planned that the manufacture of engineering products will increase by a factor of more than 1.3 over the five-year period. It is planned here to create highly productive and economical equipment providing for the acceleration of scientific-technical progress and a further increase in the technical level of sectors of the national economy. The industrial production of 4,600 new types of machinery, equipment and instruments will be assimilated altogether, 8,400 facilities will be comprehensively mechanized and automated and 11,000 mechanized flow and transfer lines will be commissioned.

Particular attention is paid to the development of light and food industry and an increase in the production of cultural-everyday products and home appliances. A somewhat preferential growth rate of the production of consumer products compared with the production of producer goods is planned.

Considerable resources are being channeled into the strengthening and further expansion of the material-technical base of agriculture and the entire agrarian-industrial complex. In accordance with the Food Program which has been developed,

one-third of all capital investments in the national economy is being allocated for the interconnected, proportional development of the sectors of this complex.

The plan sets the republic's construction workers crucial tasks. They have to commission a number of most important production capacities and facilities. Particular emphasis is put on the retooling and modernization of operating enterprises.

It is planned in the current five-year plan to implement a wide-ranging program of an upsurge in the people's well-being. Real income per capita will increase 17 percent. There will be an increase in retail commodity turnover and the volume of consumer services.

As before, big resources are being allocated for housing construction. Approximately seven million of the republic's inhabitants will improve their housing conditions in the five-year plan. Public education, culture, the health service, physical culture, sport and social security will be further developed.

The results of 1981--the first year of the current five-year plan--showed in full the force and significance of everything outlined in the decisions of the 26th CPSU Congress. The main political conclusion drawn from the days through which we have lived since the congress is unequivocal: the Communist Party is leading the country forward by the sole correct Leninist course.

Implementing the plans outlined by the party and having joined in socialist competition for a fitting greeting of a portentous date--60th anniversary of the formation of the USSR--the Ukrainian people, like all Soviet people, are setting examples of labor valor. Last year most important results of the nationwide labor were the R2.6 billion increase in national income and the 3 percent increase in the manufacture of industrial products.

The construction, modernization, expansion and retooling of operating enterprises have been undertaken on an extensive scale in the republic. A savings of the labor of 600,000 men has been obtained thanks to increased social labor productivity. The technical-economic indicators of production and the quality of the manufactured product have improved. Extremely unfavorable weather conditions were undoubtedly markedly reflected in the development of agriculture, nonetheless, R27.2 billion of products were produced in the year. The set quota for the sale of grain to the state was fulfilled.

The first year of the 11th Five-Year Plan will remain in the biography of the Soviet Ukraine and our entire country as a time of new accomplishments and labor achievements of the Soviet people.

The working people of the UkSSR, like all Soviet people, are proud of their socialist motherland, are greeting the illustrious 60th anniversary of the formation of the USSR with new successes in the struggle for the fulfillment and overfulfillment of the plan quotas, are working with inspiration on realization of the historic decisions of the 26th party congress and the creative tasks of the 11th Five-Year Plan, bearing aloft the banner of peace and proletarian internationalism and doing everything for the accomplishment of the tasks of communist building in our country.

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## Belorussian SSR

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 7, Jul 82 pp 18-24

[Article by G. Serov, first deputy chairman of the Belorussian SSR Gosplan:  
"In the Single Family"]

[Text] The idea of Belorussia prior to the Great October Socialist Revolution was that of a region of swamps and forests settled by a backward, destitute people. A crude industry, which worked with local raw material, supplied Russia and places abroad with flax, hemp, leather, resin and timber.

In the outlying province, which Belorussia was considered to be under the conditions of tsarist Russia, 82 percent of the population could neither read nor write. There was not a single VUZ or a single large public library here.

In 1913 almost 5 times less industrial products, 15 times less electric power and 12 times less engineering products were produced per capita than in Russia as a whole.

After the Great October, Belorussia took a giant step from backwardness to progress and large-scale industry, from landlessness and indigence to the happiness of free kolkhoz labor and a comfortable life and from darkness and a lack of culture to the unprecedented flowering of education, science and culture. The creative energy of Soviet man, who had become the master of his own fate, land and all its resources, proved inexhaustible. The working people of Belorussia, like the other peoples of the country, embarked unhesitatingly on the path signposted by V.I. Lenin. The entry of the Belorussian SSR into the USSR strengthened the sovereignty of the Belorussian people, which was guaranteed by the entire political, economic and military might of the Country of Soviets.

With the creation of the USSR the all-around cooperation of the Soviet republics became even more close and intensive. Thanks to the consistent implementation of Lenin's national policy, the ties of fraternal friendship became closer and closer from year to year. They broadened and strengthened in the selfless struggle for the socialist reorganization of the economy and the implementation of the cultural revolution.

In the turbulent routine of the first five-year plans metal working developed at an accelerated pace and engineering and power engineering were created in Belorussia in accordance with party policy. Such large-scale enterprises as the woodworking works in Bobruysk, the artificial silk factory in Mogilev, the machine-tool-building plant and garment factory in Vitebsk, the cement plant in Krichev, the flax works in Orsha and the "Gomsel'mash" were commissioned. The Belorussian GRES arose in accordance with Lenin's GOELRO Plan in the Osinovskiye peat bogs near Orsha. The gross industrial product in these years (1940) had increased more than eightfold compared with 1913.

The successful industrialization created the base for the socialist reorganization of agricultural production. The collectivization of agriculture had been completed, in the main, in the eastern and central areas of the republic by

1939. The sown area increased, the yield increased and the numbers of livestock and its productiveness grew. Railroad transport was radically reorganized: the new Kommunar'-Orsha, Orsha-Lepel', Gomel'-Chernigov, Osipovich-Mogilev and other railroad tracks were built. Motor, river and air transport developed successfully.

The main achievement of these years was the fact that as a result of the party's ideological-educational work generations of people selflessly devoted to communist ideals, convinced of the soundness of our great cause and able under the party's leadership to lay the foundations of socialism and defend the gains of October in the years of grave trials grew up in the republic, as throughout the country.

The international fraternity of the Soviet peoples which was born in the period of the Great October Socialist Revolution and the civil war was manifested particularly forcefully in the fiery years of the Great Patriotic War. "The true friendship of the peoples of the Soviet Union," M.I. Kalinin said, "which was fostered in peacetime, exploded as a bright flame in the war years and amazed abroad not only our enemies but our friends also. This friendship was tempered in the grave trials of the war" (M.I. Kalinin, "Articles and Speeches (1941-1946)," Moscow, 1975, p 433).

The war unleashed by fascist Germany interrupted for a long time the peaceful, creative labor of our people. At the call of the Communist Party the Belorussian people, together with all the peoples of our country, rose to the sacred struggle to defend the great gains of October and defend the freedom, honor and independence of the entire socialist motherland. More than 1.1 million Belorussians fought courageously in the ranks of the valiant Soviet Army. The legendary garrison of the Brest hero-fortress held out to the last. The first rounds of the Katyushas rattled on the bank of the Dnepr, south of Orsha.

Truly universal partisan warfare spread on occupied Belorussian territory. The organizer and leader of this struggle and its soul was the Belorussian Communist Party. Ten underground Belorussian Communist Party obkoms, 193 interraykoms, gorkoms and raykoms and 1,316 primary party organizations composed of 35,000 communists operated in the enemy rear.

Combat operations on the republic's territory were conducted by 213 partisan brigades and regiments and 258 independent detachments. Some 374,000 armed fighters fought in them. Some 70,000 members of the underground operated in the cities, communities and large villages.

Representatives of more than 70 nationalities of the Country of Soviets and many peoples of Europe fought in the ranks of the Belorussian partisans. Interacting with the Soviet Army and the people's avengers of neighboring republics and oblasts, in three years the Belorussian partisans took out approximately half a million fascist soldiers and officers--more than in the same period the armies of the United States and Britain together. They smashed 948 garrisons and headquarters, derailed 11,000 trains and armored trains, destroyed 1,355 tanks and armored vehicles and over 18,000 motor vehicles, shot down in the air and burned on the ground 305 aircraft and destroyed approximately 1,000 military supply depots and 819 rail and almost 5,000 other bridges.



The pall of fascist occupation hung over the republic for three years. The Hitlerites covered our territory, as other temporarily occupied land also, with concentration camps and prisons, gallows and Gestapo torture chambers and sowed violence and destruction, grief and death. The German aggressors burned, destroyed and pillaged 209 cities and rayon centers and 9,200 villages and hamlets. Some 627 villages were burned by the fascists together with their inhabitants, 186 could not be revived.

As the temporarily occupied parts of the country were freed from the German-fascist aggressors, the Soviet people embarked even in the course of the war on the restoration of the devastated national economy and the organization of the working people's normal living and everyday conditions. The Communist Party and the Soviet Government paid exceptional attention to the economic and cultural revival of the liberated areas, including Belorussia.

State assistance was effected along government authority lines. Despite the enormous difficulties of wartime, industrial equipment, agricultural machinery, livestock, seeds, medical instruments, consumer goods and such were found and channeled in centralized manner to the liberated areas. Money was allocated from the USSR budget.

Nationwide assistance meant the disinterested assistance of the working people of the fraternal Soviet socialist republics to the parts of the country which had suffered from fascist occupation. It was manifested in various forms: on their own initiative many labor collectives dispatched equipment, raw material, intermediate products, instruments, machinery, livestock, food, clothing, footwear, literature and so forth. Various industrial products were manufactured for the liberated areas from economized materials, production rationalization and work in one's free time at enterprises of oblasts of the rear. Money was collected. Personnel came to the victimized areas from the fraternal republics.

Thanks to the indisputable advantages of the socialist system and the fraternal assistance of all peoples of the Soviet Union and as a result of the heroic efforts of the republic's working people directed and led by the Communist Party, the most difficult task of revival of the BSSR's economy was accomplished unprecedently quickly. By 1950 the republic's industry had not only been restored but had taken a big step forward. In subsequent years our economy continued to develop even more rapidly.

If we turn our mind's eye to today's Belorussia, a magnificent panorama of Soviet man's bold accomplishments opens up before us. Giant plants and factories, fruitful cornfields, large-scale animal husbandry complexes and farms and a dense network of railroad trunk lines and power lines. The gaze is met by the magnificent architectural ensembles of the ancient, but essentially reborn cities of Minsk and Vitebsk, Gomel' and Grodno and Mogilev and Brest and quite young cities of the republic--Novopolotsk--the city of chemical workers and power engineers--Zhodino--the truck-assembly center--Soligorsk--the city of miners--and Svetlogorsk--the city of chemical workers--the fires of the powerful Lukomol'skaya and Belozersk GRES and the oil rigs of the Belorussian Poles'ye.

Belorussia today is a major economic region of the USSR and a republic of a diversified industry and large-scale collective mechanized agriculture.

The pivot of the BSSR's economy is industry, which now accounts for over 60 percent of the gross social product. It incorporates more than 100 sectors uniting over 1,400 large-scale enterprises and associations.

In accordance with the all-union division of labor, the republic is responsible for the manufacture of every seventh machine tool, every sixth tractor, every fifth motorcycle, every 10th refrigerator and every 16th television receiver. One-fifth of the all-union production of chemical fibers and thread, one-ninth of linen cloth and more than half of the potassium fertilizer are produced in Belorussia.

The republic's industry plays an important part in the USSR's foreign economic relations and socialist economic integration. Altogether over 1,000 products bearing the trademark of Belorussian enterprises are exported to approximately 100 countries.

Profound changes are under way in agriculture. A modern material-technical base has been created, chemicalization and land improvement are under way on a broad scale and the concentration of agricultural production is being effected increasingly extensively on the republic's kolkhozes and sovkhozes. The sector stands firmly on a footing of intensification.

Tremendous progress has been achieved in the republic, as in the country as a whole, in the development of public education, science and culture. The transition to the youth's universal compulsory secondary education has been completed. Currently 7 out of every 10 persons have secondary and higher education. More than one million specialists with higher and secondary specialized education work in the national economy, which is five times more than there were of them throughout tsarist Russia.

A developed material base of culture has been created. Some 16 professional theaters, 2 philharmonic societies and 68 state and approximately 600 people's museums operate, an extensive network of clubs, houses and palaces of culture and movie theaters are active and practically all the halls for mass entertainment are equipped with film projectors.

Almost 7,000 mass libraries, whose book collection is more than 87 million volumes, have been opened for broad access. More than 3,000 books and brochures with a total print in excess of 38 million copies are published annually in the republic itself.

A number of large-scale cultural facilities, among which we may cite the building of the musical comedy theater, the Moskva, Salyut and Elektron movie theaters, the railroad workers' Palace of Culture and Sport and the vocational-technical education House of Culture, was built in Minsk in the 10th Five-Year Plan alone.

Some 18 modern movie theaters and seven rayon cultural centers were built in other cities of the republic, and over 160 cultural centers and clubs with total seating room for 40,000 were built in rural localities.

The sectors producing consumer goods are developing rapidly. There is now no corner of the country which does not know of the large-capacity trucks and tractors, computers and transfer machinery, machine tools, motorcycles, television receivers, watches and other modern products of Belorussian enterprises.

And every tractor and automobile, machine tool and motorcycle and every ton of fertilizer and chemical fiber are the result of the joint labor of all the peoples of our country. Over 1,000 labor collectives, for example, participate in the manufacture of the large-capacity trucks. The birth of our automobiles and tractor building began in plants of Moscow and Khar'kov, Chelyabinsk and Volgograd. The oil deposits of Belorussia were developed, potassium works based on the very rich Starobin salt deposits were installed and the republic's major industrial complexes were built with the assistance of the fraternal peoples.

Implementing the historic decisions of the 25th CPSU Congress, the republic's working people scored new successes in the development of industry. In terms of the rate of growth of total industrial production the republic reached the level stipulated by the Basic Directions of the development of the economy in the 10th Five-Year Plan ahead of schedule.

The selfless labor of the workers of Belorussia's cities and villages was expressed in significant quantitative and qualitative improvements. The republic's national income increased by R22 billion, the production of industrial products by almost R37 billion, the gross industrial product by almost 43 percent, the average annual gross product on the kolkhozes and sovkhozes 16.6 percent and capital investments 30 percent.

Approximately 50 large-scale industrial enterprises were built and commissioned in the five-year plan. These include the Pinsk Forging-Pressing Transfer Machinery Plant, the Grodno Synthetic Fiber Plant, the Fourth Soligorsk Potassium Mine Administration, the Novopolotsk Protein-Vitamin Concentrates Plant, the Zhlobin Artificial Fur Factory, the Slonim Worsted-Textile Factory and the Dobrush Porcelain Plant.

A great deal of work was also done in this time on the modernization, expansion and retooling of a whole number of operating enterprises. Large-scale production capacity was introduced at the Mozyr' Oil Refinery, the Grodno "Azot" Production Association, the Mogilev "Khimvolokno" Production Association, the Minsk Tractor Plant and automobile plants and enterprises producing consumer goods.

The sectors determining scientific-technical progress developed at preferential and rapid rate in the 10th Five-Year Plan: engineering (whose output grew by a factor of 1.8), instrument making (2.6) and chemical and petrochemical industry (1.7).

Over 1,200 new types of machinery, equipment, apparatus, tools and products were assimilated at the republic's industrial enterprises in the last five years. These include the highly efficient "Belarus'" tractor model, a tractor-trailer rig of 32.5-ton capacity, 120-ton coal carrier rigs, metal-cutting machine tools with digital program control, self-powered fodder-harvesting combines, measuring instruments, construction materials, Minsk 12 and Minsk 15 refrigerators and new types of consumer goods. Some 657 new types of machinery, equipment, apparatus and instruments were created in the period 1976-1980.

The measures being implemented in the republic's industry for the development and introduction of new technology are producing a considerable savings. They amounted to R975 million in the five-year plan. Some 125,000 persons were released for other work (and this is particularly important under the current conditions of limited labor resources).

The quality of the manufactured product is improving. The proportion of products of the highest quality category in total production constituted 24 percent in the 10th Five-Year Plan. Production of products of the highest quality category tripled. Currently 4,000 products are manufactured with the official Symbol of Quality.

There have been fundamental transformations in the period of Soviet power in agriculture. From small and scattered private farms to large-scale public production complexes, each with 3,000-4,000 hectares of agricultural land, from 1,518 wooden plows and harrows to more than 120,000 tractors and 60,000 combines and from want, indigence and hopelessness to a prosperous and cultured life--such has been the path of the Belorussian countryside in this time. The yield of grain crops rose by a factor of 3 and of potatoes by a factor of 2.3. It should be considered here that four of the last five years were extremely unfavorable in terms of weather conditions.

Particularly pronounced successes in the development of the agriculture of the republic, as of the country as a whole, were scored following the CPSU Central Committee March (1965) Plenum. In the period 1966-1980 state and kolkhoz capital investments in agriculture amounted to R13.8 billion, which was 4.5 times more than the capital investments of the 20 postwar years. As a result fixed production capital increased approximately fourfold in this period, power capacity almost threefold and supplies of mineral fertilizer to the countryside more than threefold. One out of every four hectares of kolkhoz and sovkhoz agricultural land was improved.

Despite the unfavorable weather conditions, the average annual gross agricultural product (in comparable prices of 1973) amounted to R6.6 billion in the 10th Five-Year Plan, which was 8 percent more than the average annual level in the Ninth Five-Year Plan, 24 percent more than that of the Eighth, 64 percent more than that of the Seventh and 81 percent more than that of the Sixth. The average annual harvest of grain in the 10th Five-Year Plan exceeded the corresponding indicator of the Ninth Five-Year Plan by 12 percent and of sugar beet by 13 percent. There was also an increase (albeit lower than planned) in the volume of the main animal husbandry products.

There was an appreciable increase in the 10th Five-Year Plan in the republic's national income--more than the Seventh and Eighth five-year plans together. Approximately three-fourths of the national income used in the republic was channeled into consumption, and approximately four-fifths of national income were used directly on the people's well-being if we consider expenditure on housing and sociocultural construction.

The growth of the population's monetary income was accompanied by an increase in commodity turnover. It increased 28 percent in the five-year plan. The sale of products in everyday demand is growing constantly. Thus in 1981 the sale to the public of clothing and linen, leather footwear and furniture had almost doubled compared with 1970.

The sale of carpets and carpeting increased by a factor of more than 2.5 in this time, glassware, porcelain and glazed pottery by a factor of almost 3 and automobiles by a factor of 12. There was a considerable increase in the public's provision with cultural-everyday goods and home appliances like color television receivers, stereophonic radios, refrigerators, washing machines, vacuum cleaners and so forth.

Housing construction assumed large proportions in the 10th Five-Year Plan. Some 21 million square meters of housing were built. Some 1.9 million persons or one-fifth of the republic's population obtained new apartments and improved their housing conditions. Many schools, hospitals, day-care centers and municipal service and cultural-everyday facilities were erected.

The Belorussian people's achievements were valued highly by the party and the Soviet Government. Thousands of production pacesetters and innovators were awarded orders and medals of the USSR, and the title of hero of socialist labor was conferred on the very best. CPSU Central Committee, USSR Council of Ministers, AUCCTU and Komsomol Central Committee challenge red banners were conferred on the republic in all-union socialist competition throughout the five-year plan.

Like all our republics, in the 11th Five-Year Plan Belorussia is creating, building and growing grain, tackling complex scientific problems, raising the new man and composing songs. Its cities and villages are being made more attractive, the economy is strengthening and science and culture are being raised to a new level. In the plan of economic and social development in 1981-1985 the words creating, building, increasing, satisfying are encountered most often. They contain the main meaning of the CPSU's economic strategy, which is aimed at securing the further social progress of our society and implementing a wide-ranging program of a rise in the people's well-being.

This can be seen clearly in the example of Belorussia. In the 11th Five-Year Plan national income--the main source of a rise in the people's living standard--will increase 23.3 percent and real income per capita will grow 16.3 percent.

We now see Belorussia's entirely new industrial appearance. Its economy is developing dynamically. The republic is constantly increasing production efficiency and augmenting its contribution to the accomplishment of all-state tasks.

This is the result of an improvement in the location of production forces. The 11th Five-Year Plan is a new stage in the economic and social development of the republic's oblasts, cities and rayons. The location of the production forces will be subordinated to an increase in production efficiency, an improvement in people's living conditions and a higher level of the national economy's comprehensive development. It is planned to expand the "Gomsel'mash" and the Brest Carpet-Cloth Works. The construction of a conversion foundry in Zhlobin is planned, which will improve the satisfaction of the republic's rolled ferrous metal requirements. New capacity for nitron production will be introduced in the Novopolotsk "Polimir" Association.

It is planned to increase industrial production 28 percent. This is a good deal. After all, the value of one percent of such an increase in the present five-year plan amounts to R248 million compared with R175 million in the 10th Five-Year Plan. Radio engineering, electronics and instrument-making industry are developing at a preferential pace. It is envisaged that engineering output will grow by a factor of 1.5.

Motor vehicles, and, furthermore, the most powerful in terms of capacity of those produced in the country, all-purpose highly productive tractors, the latest machine tools with program control, computers and many other products--all these are products of the republic's engineering. I would emphasize, traditional products. This sector has magnificent prospects in the 11th Five-Year Plan also.

Giant plants can be seen and their ardent breathing and working pulse can be heard behind the concise lines and concrete figures of our plans. The production of fundamentally new types of automotive technology is now being assimilated in the republic. These include the 110-ton capacity BelAZ-7519 dump truck, the first such vehicles already having been assembled, and the BelAZ-7521 dump truck with electric transmission for work in mining industry capable of taking 180 tons of ore at a time; and a 120-ton capacity tractor-trailer-coal-carrier rig with electric transmission and with motor wheels. The Mogilev Auto Plant will assimilate the production of dump truck-earth carriers designed for work in the construction of large-scale hydraulic structures.

In the present five-year plan the manufacture of metal-cutting machine tools with digital program control will increase more than fourfold. The production of instruments, means of automation and computer equipment will be built up rapidly.

Belorussia has long been a big chemicals region. In the period 1981-1985 it is planned to commission new capacity in the "Polimir," "Azot," "Beloruskaliy," "Khimvolokno" and "Bobruyskshina" associations, at the man-made fiber plant in Svetlogorsk and the synthetic fiber plant in Grodno and at other enterprises. The manufacture of mineral fertilizer will increase by a factor of 1.3, including an increase by a factor of 1.4 in potassium fertilizer. The production of chemical fibers and threads will be raised to 320,000.

In one minute of work our construction industry now introduces in the republic almost 30 square meters of housing and a place in a general educational school and in three to four minutes a place in a day-care center.



The influence of science on the republic's economy is growing. Scientific-technical programs are the main method of the organization of scientific research. They unite the entire set of operations from the idea through introduction. More than 50 such republic programs will be implemented in the 11th Five-Year Plan.

The rural workers are now living and working with the constant thought of and concern for the even more generous production of Belorussian soil. Working on fulfillment of the Food Program, they are increasing the efficiency of the entire agrarian-industrial complex. The gross grain harvest is to increase compared with the 10th Five-Year Plan and constitute 7.8 to 8.1 million tons on an annual average. It is planned to raise potato production to an average of 13 million tons a year.

In the first year of the 11th Five-Year Plan the republic scored certain successes in the development of the production forces and a rise in the people's well-being. The plan for industrial production was fulfilled ahead of schedule. We all received with great joy and warm gratitude Comrade L.I. Brezhnev's greetings in connection with the successful fulfillment of the plans and pledges concerning the sale to the state of grain, potatoes, fruit and berries and also the ahead-of-schedule commissioning of a number of facilities and some production capacity.

A special place in the history of Belorussia and its people is occupied by friendship with the working people of the KaSSR.

The name and deeds of Mikhail Vasil'yevich Frunze--active fighter for the establishment of Soviet power in our republics--is equally dear to the Belorussian people and the working people of Kazakhstan. The construction of the Turkestan-Siberian Railroad was a real school of the friendship and fraternity of the Soviet peoples in the first five-year plans. More than 10,000 persons left cities and villages of Belorussia to work on the Turksib in the summer of 1928 alone. This tradition was strengthened even further and extended in the course of the development of the very rich natural treasure houses in the Rudnyy Altay, in Central Kazakhstan, on the Mangyshlak peninsula and in other regions.

Born in the course of socialist building, the friendship of the Soviet peoples became that unprecedented force which helped our country smash German fascism.

Unparalleled heroism and unprecedented staunchness were displayed by the defenders of Brest, in whose ranks were approximately 3,000 emissaries of Kazakhstan, including V.I. Fursov, M. Niyazov, G. Zhumatov, A.P. Sopikov, K. Shmankulov, A.F. Naganov, P.A. Karbolin and V.K. Yankov.

Fighting men of the strike rifle brigade which was formed in Kazakhstan and which, following the rout of the Germans south of Moscow, became the 88th Special Division fought heroically in the body of troops of the Third Belorussian Front for the liberation of Soviet Belorussia. A fighter of this formation--Sgt Agadil Sukhambayev, a young kolkhoz member from Dzhambul Oblast who himself closed the embrasure of an enemy earth and wood pill box--performed his immortal exploit on Belorussian soil.



M.M. Marayev commanded a machinegun detail in the liberation of the Poles'ye region's Komarinskiy Rayon. On the night of 29 September 1943 he covered with machinegun fire the company's crossing of the Dnepr, was himself among the first to cross this river, beat off three enemy counterattacks and killed more than 50 Hitlerites. On 1 October he was severely wounded during the repulse of a counterattack, but did not leave the battlefield.

Machinegunner Pvt Kh. Mamutov distinguished himself in the liberation of Gomel Oblast. On 21 February 1944 he was among the first to cross the Dnepr and took out seven enemy fire positions. In the battle for the city of Rogachev he was the first to break into the enemy's trenches and join battle with 45 Hitlerites. In hand-to-hand fighting he killed 32 Hitlerites with his machinegun. Kh. Mamutov is an honorary citizen of Rogachev.

Submachinegunner S.S. Abduzhabbarov distinguished himself in the battle at the approaches to Vitebsk Oblast's Beshenkovichi settlement. On 26 June 1944 he was among the first to cross the Western Dvina, captured an enemy machinegun and opened fire with it on the enemy, which assisted the crossing of Soviet army subunits. In this battle he took out a fire position and killed 30 Hitlerites. He participated in the liberation of Polotsk, Disna and Braslav.

For exploits on Belorussian soil S.S. Abduzhabbarov, Kh. Mamutov, M.M. Marayev and many other natives of Kazakhstan were awarded the gold stars of heroes of the Soviet Union. Their courage and unparalleled bravery, boldness and valor will always be an inspiring example for increasingly new generations of fighters for communism.

The fraternal mutual assistance of the Soviet peoples ensured the successful removal of traces of the war. As in the years of the prewar five-year plans the working people of Belorussia helped Kazakhstan straighten its mighty shoulders, so the working people of Kazakhstan helped the Belorussians heal the grave war wounds. Equipment for a medical institute, gifts for children and personnel for the communications and railroad authorities were sent even in the war years. Agricultural equipment, livestock trains and so forth came to the assistance of Belorussian kolkhoz members from Kazakhstan. The words of the old Kazakh saying: "A bird's strength lies in its wings, man's strength in friendship" acquired the profoundest meaning at this time.

The virgin land epic is a striking page in the history not only of Kazakhstan but the entire Soviet country also. At the Lenin Party's call hundreds of thousands of enthusiasts came to the virgin land from all parts of the country, including Belorussia.

At the current stage of communist creation the illustrious traditions of mutual assistance have been further developed. Belorussian tractors, motor vehicles, silage-harvesting and fodder-harvesting combines, graders, snow-cleaning machines, pumps, computers, watches, transformers and so forth reach Kazakhstan in a wide stream. Along the routes of friendship we receive from your republic sheet steel, asbestos, hoists, electrical engineering and chemical equipment, x-ray apparatus.... All this is broadening our common possibilities for the further growth of the economy and its burgeoning and progress.

Our spiritual wealth is also multiplying constantly in the struggle for realization of the party's socioeconomic program and the decisions of the 26th CPSU Congress and party plenums. The distinctive, life-asserting creativity of our peoples becomes common property. The works of your gifted prose writers and dramatists--Mukhtar Auezov, Sabit Mukanov, Gabit Murepov, Gabiden Mustafin, Tair Zharokov and Abdil'da Tazhibayev--for example, enjoy deserved popularity among Belorussian readers. The books of such men of letters as Anuar Alimzhanov, Abdizhamil Nurpeisov, Olzhas Suleymenov, Takhavi Akhtanov and many others are also well known.

There are many examples of the creative collaboration of the workers of Belorussia and Kazakhstan. They are convincing testimony to the constantly strengthening friendship of our fraternal peoples. This friendship and mutual assistance will be further developed in the current five-year plan. They will contribute to the successful fulfillment of the 11th Five-Year Plan and the socialist pledges adopted in honor of a fitting greeting of the nationwide holiday--the 60th anniversary of the formation of the USSR.

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Kazakh SSR

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 9, Sep 82 pp 3-6

[Article by O. Zheltikov, first deputy chairman of the KaSSR Gosplan: "Increasing the Efficiency of Capital Investments"]

[Text] Comrade L.I. Brezhnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, emphasized at the 26th CPSU Congress: "The new five-year plan will be a serious test for the construction workers. A characteristic feature thereof is the utmost concentration of forces on the speediest completion and startup of the enterprises capable of ensuring the greatest increase in output and opening up bottlenecks. We have already adopted such a policy, and it must be followed unswervingly."

Realization of the plans outlined by the congress has already begun. It is planned in the 11th Five-Year Plan to channel more than R24 billion of capital investments--an 11.9-percent growth compared with the 10th Five-Year Plan--into the development of the economy under the jurisdiction of the KaSSR Council of Ministers. It is planned to commission a number of large-scale industrial enterprises: the Ekibastuz GRES No 1, the Shul'binsk GES, capacity at the Dzhezkazgan Mining-Metallurgical Works, the Zhezkent Mining-Concentrating Works, the second stage of the Zhayrem Mining-Concentrating Works, additional capacity at the Ust'-Kamenogorsk Titanium-Magnesium and East Kazakhstan Copper-Chemical works, new light and food-gustatory industry and agricultural enterprises, facilities connected with realization of the Food Program and housing-municipal and cultural-everyday facilities.

Particular significance is attached under these conditions to the task of an increase in every possible way in the efficiency of capital investments on the basis of a further improvement in all components of construction production, the more in-depth technical-economic substantiation of quotas at all stages of the development of the capital construction plan, an increase in the sector in

the level of industrialization and mechanization and an expansion of the sphere of the application of the integral-process contract.

The development of the territorial-production complexes which have been created in the republic--Pavlodar-Ekibastuz, Karatau-Dzhambul and Mangyshlak--which are securing a growth of production in such leading sectors of industry as the coal, chemical, oil and petroleum-refining sectors, nonferrous and ferrous metallurgy, engineering and electric power engineering, is directly connected with fulfillment of the plans of construction. The entire further development of the republic's production forces, the enlistment of natural resources in the economic turnover and, consequently, the creation of new large-scale territorial-production complexes are, in general, connected with the state of affairs in this sector. The pace of an improvement in the working people's housing and municipal conditions and the level of trade, cultural-everyday and medical services also depend directly on the construction workers. We have in the current five-year plan to commission over 31 million square meters of housing.

In the "Education and Culture" sector it is planned to commission 303,500 places in general educational schools and 87,300 places in day-care centers and pioneer centers in Alma-Ata, Gur'yev, Chimkent and Arkalyk and complete the installation of the first stage of a complex of industrial-training buildings of the Kazakh State University and a number of other facilities.

Such in general outline are the tasks confronting the sector in the current five-year plan.

Positive changes can already be seen. More attention than hitherto is being paid to problems of an improvement in the planning of capital investments and their increased efficiency. These plans direct the ministries and departments toward ensuring the on-schedule commissioning of production capacity and fixed capital, limiting the number of facilities being installed at the same time, reducing the duration of construction and the commissioning of production facilities and facilities of the nonproduction sphere more evenly in the course of the year. The 1982 plan even envisages a reduction in the amount of incomplete construction on a republic range to the set norm. There has been an increase in the proportion of capital investments channeled into the modernization of enterprises and the completion of construction projects which have been started. Nonetheless, there are still many difficulties in this sector. For this reason it is advisable to concentrate attention today primarily on the unsolved questions.

A serious shortcoming in construction is the continuing dispersal of capital investments around numerous construction sites. The main reason for this is that the plan incorporates new projects while carryover projects are not provided either with appropriations or resources for their completion within the prescribed times. It may be noted, it is true, that the number of newly begun construction projects with an estimated cost of more than R1 million has declined by 18 units in 1982 compared with 1981. But this is only a start. It is necessary to reinforce it and henceforward examine more scrupulously the proposals for new construction emanating from the ministries and departments. After all, the situation is as yet far from felicitous.

In 1981 the total number of projects under construction simultaneously by the KaSSR Ministry of Rural Construction was 4,050, new ones of which were 1,622 or 40 percent of the total. In the KaSSR Ministry of Heavy Industry Enterprise Construction, however, although the number of newly begun projects did in fact decline, at the same time the number of projects not commissioned within the prescribed time on 1 January 1981 and 1 January 1982 was practically unchanged. This testifies not only to defects in planning but also to the insufficiently efficient organization of construction production.

Nor can the ever continuing process of a rise in the costs of construction be considered normal. Of course, the influence of objective cost-increasing factors cannot be completely disregarded, but it is necessary to counterpose something to them and constantly seek ways to reduce the estimated costs of construction. Unfortunately, far from everything has yet been done in this field. As before, a number of projects is accepted in the plan without an in-depth examination of their technical-economic substantiation. Whence a revision of the estimates in the process of their installation even. And this leads to a considerable disorganization of production, a prolongation of the time taken to commission capacity and the behind-schedule receipt of products and services. Ultimately, however, the erection of industrial and civic installations is held back. After all, cost increases swallow up much in the way of forces and resources.

For the Novo-Karaganda Cement Plant alone the estimated costs of the facilities under construction have risen by R14 million, for the radio-television transmitting station in Alma-Ata by R2.75 million and for the Mine imeni Dzhambul of the Akchatau Mining-Concentrating Works by R19.5 million.

The republic's ministries and departments are, as before, paying insufficient attention to the high-quality elaboration of the analyses and determination of the costs of complexes nearing completion. We will give as corroboration just one example here.

The near-startup complex for the production of 90,000 tons of ferrosilicon at the Yermak Ferroalloys Plant failed to take into account work that had actually been done to the tune of R523,000. And this was not the biggest miscalculation. At many many projects the accounting has to be conducted not in hundreds of thousands but millions of rubles. None of this is very consonant with the policy of economies and an improvement in the economic mechanism. The client ministries need to reorganize their work radically.

A failure to observe the norms of the duration of the construction of projects and clients' incorrect distribution of volumes by year even at the plan-formation stage also lead to an appreciable rise in construction costs.

The concentration of capital investments, forces and resources at projects and construction sites nearing completion remains a most important problem of planning. A certain turnabout in this direction has already been discerned. For example, in the 11th Five-Year Plan 63.9 percent of total capital investments are being channeled into the startup program compared with 52.7 percent in the 10th Five-Year Plan. But this is only a start. This work needs to be continued in the future.

An important area in an increase in the efficiency of capital investments is the creation of conditions providing for their most rational use, primarily thanks to an increase in the proportion of expenditure on the modernization of industrial enterprises since it is possible to obtain a far greater result with smaller capital investments here than from new construction. Some 32 percent of capital investments are being channeled to this end in the country in the 11th Five-Year Plan compared with 22 percent in the 10th. In the republic this indicator is considerably lower--12 percent.

It is essential to establish strict control in the allocation and use of capital investments. The unwarranted reallocation of resources, the transfer thereof from sector to sector and from the production to the nonproduction sphere and attempts to undertake above-plan construction must be effectively rebuffed by the planning authority workers. It is necessary to persistently implement the party's decisions and allocate resources for new construction only when absolutely essential. The modernization and retooling of enterprises must be the main direction.

A tremendous part in an increase in the efficiency of capital investments is played by the use of capacity which has already been commissioned. Unfortunately, there are not that many positive changes as yet. Thus of the 120 capacities introduced in the period 1976-1980, 88 have yet to reach the planned parameters. There was a product shortfall of R396 million in respect of 71 production capacities, whose normative assimilation deadlines had expired, including a shortfall of R149 million at enterprises of the KaSSR Ministry of Meat and Dairy Industry, Ministry of Food Industry and Ministry of Light Industry.

As practice shows, the tardy assimilation of production capacity is frequently caused not by technical factors but by the unready condition of housing and cultural-everyday facilities for the retention of skilled personnel, that is, factors of the social sphere. An inspection of 83 facilities showed that at 30 the rate of construction of the said facilities is considerably lower than the rate of installation of production capacity. Such a discrepancy is by no means harmless. New enterprises prove to be lacking in personnel. In the republic Ministry of Light Industry, for example, the number of workers of enterprises under its jurisdiction who are in need of housing could be only half as many had the ministry prevented a lag in the 10th Five-Year Plan in the introduction of 151,000 square meters of housing. Nor are things any better in other sectors of the economy. It is time to emphatically put an end to this trend of resource allocation. Enterprises and facilities of the social infrastructure need to be built compositely.

An appreciable role in the efficient use of capital investments is performed, of course, by the contract organizations, primarily of the republic Ministry of Heavy Industry Enterprise Construction and the Ministry of Rural Construction. The more so in that fixed capital therein has increased 30-50 percent in recent years. But the volume of work performed by these ministries has declined recently. Of course, the shortage of personnel has begun to be reflected here to a certain extent, but much boils down to problems of organization and management.

The policy of the creation of specialized mobile mechanized columns has not justified itself in all respects, for example. Expenditure on their maintenance has increased, but the due returns are not yet to hand. The reasons for the unprofitability of such organizations must be thoroughly investigated.

There are also other shortcomings in work which cannot be overlooked. For example, as of 1981, all ministry and department construction and installation organizations have been working under the new conditions. Such an indicator as the commodity construction product is planned; the client settles accounts with the contractor only for enterprises whose construction has been completed and which have been commissioned, complexes nearing completion and stages and facilities ready to manufacture products and render services; a procedure of the banks extending credit for expenditure on incomplete construction production in the amount of its estimated costs has been introduced; and so forth.

However, together with the positive aspects this transition has revealed a number of appreciable shortcomings and oversights, primarily on the part of the clients. Many of them have still not yet prepared themselves properly for work under the new conditions. As before, the contract organizations are in a number of instances being presented with incomplete planning-estimates documentation and beyond the specified times, furthermore, which does not afford an opportunity for a thorough expert appraisal thereof.

The plans still incorporate construction projects and facilities not supported by the planning-estimates documentation. Thus as of 1 October 1981 the KaSSR Stroybank had not financed, owing to a lack of documentation, 23 construction projects with a capital investment volume of R18.7 million. The "Karagandasel'-stroy" Trust No 10 had not prior to the end of the year been supplied with documentation for 28 cow barns (KaSSR Ministry of Agriculture).

Disruption of the specified times of supplies of equipment and cable products by the clients is holding back appreciably the on-schedule commissioning of facilities. We may cite as an example the Yesengel'dinskiy (Ministry of Fruit and Vegetable Industry) Animal Husbandry Complex, which was due for startup last year and in respect of which 48 units of production equipment had not been supplied prior to the end of 1981 and in the first quarter of the current year. The same has occurred with supplies of equipment and shut-off equipment for the Timurskiy and Nikolayevskiy meat-and-bone meal plants of the KaSSR Ministry of Agriculture in Chimkent and North Kazakhstan oblasts. The commissioning of a complex for 800 cows on Tselinograd Oblast's Sovkhoz imeni KazTsIK has been held up since 1981 owing to the tardy solution of questions of water supply.

Material-technical supply is, as before, a bottleneck in the sector. Funds for individual materials allocated the contractor ministries are not realized in full owing to incomplete work on the part of the KaSSR Gossnab. Thus the KaSSR Ministry of Motor Transport and Highways' provision in 1981 with cement constituted 61 percent, lumber 50 percent and rolled metal 69 percent. In the KaSSR Ministry of Rural Construction almost 40 percent of the annual volume of construction material supplies fell in the fourth quarter, which created great difficulties in the organization of work, led to machine idling and held back the pace of construction. In terms of annual allocations the ministry failed to receive much timber and low-alloyed steel. The situation is roughly the same in the Ministry of Construction of Heavy Industry Enterprises.



The KaSSR Gossnab and its subdivisions must organize the guaranteed supply of the contract organizations as quickly as possible and improve the realization of the funds allocated the construction workers for materials and equipment.

The contractor's failure to coordinate the plans for the production of the commodity construction project with the plans for the commissioning of capacity and facilities among the clients has yet to be eradicated. Thus the commissioning of capacity for the processing of 75,000 tons of zinc cakes last year was planned for the "Leninogorskvinetsstroy" Trust for the second quarter and a volume of commodity construction project totaling R2.9 million for the fourth quarter. The introduction of capacity for the circulating water of the Talovskoye tailing pond of the zinc plant was planned for the third quarter and a volume of commodity construction product totaling R700,000 for the fourth quarter.

As practice has shown, many clients are still not ready for work under the new conditions. During the formulation of the drafts of the plan for 1981 and 1982 some of them held aloof from the planning of the commodity construction product, paying particular attention, as before, to the volume of contract work. As a result in a number of ministries and client departments the volume of construction and installation in accordance with the draft plan of capital construction was appreciably greater than the value of the volume of commodity construction product, that is, objectively matters proceeded in the direction of an increase in incomplete construction production.

Many clients attempt to include newly begun projects in the period of amplifications to the established plans of capital investments and contract construction and installation work, which is undertaken, as is known, prior to 15 February of the current year, when the results of fulfillment of the plan for the previous year are already to hand.

Thus the Gur'yev, Dzhezkazgan, East Kazakhstan and Chimkent oblispolkoms proposed incorporation in the 1982 plan of an additional book depot in Gur'yev, apartment houses in Ganyushkino and Aktogay and a number of other facilities, the KaSSR Ministry of Land Reclamation and Water Resources tekhnikum premises in Taldy-Kurgan and the Ministry of Agriculture the building the Chimkent Sovkhoz-Tekhnikum, a zonal chemical laboratory and water mains on three sovkhoses of Dzhambul and one in North Kazakhstan oblasts. Unfortunately, these proposals were supported, although the contract organizations did not accept them in the plan since the clients had not taken account here of the construction workers' actual possibilities.

A few words about the use of planning-estimates documentation. According to data on 1 January 1982, the amount of planned incomplete work in respect of the republic Council of Ministers was R1.5 million in excess of last year's level. The proportion of such work is particularly great in the KaSSR Ministry of Agriculture, Ministry of Housing and Municipal Services and Ministry of Health. One hundred percent of the design work performed in 1981 has been "shelved" by the Ministry of Culture, Ministry of Social Security, State Committee for Supply of Petroleum Products subdivisions and the KaSSR State Committee for Television and Radio Broadcasting.



Why store up documentation? After all, it is liable to become obsolete. Technical documentation involving R5,188,000 was written off as worthless in the same year.

Yet numerous requests are received annually from ministries, departments and ispolkoms following confirmation of the plan of planning-survey work for additional allocations for planning-survey work, although very many documents are being written off as worthless simultaneously.

For example, in 1980 the KaSSR Ministry of Motor Transport and Highways wrote off worthless documentation to the tune of R355,000 and in 1981 to the tune of R728,000. In addition, it is intended to write off further worthless documentation to the tune of R307,000. What economical economy is there to speak of here? Things are roughly the same in the KaSSR Ministry of Housing and Municipal Services also. In 1980 planning-estimates documentation for more than R350,000 was written off and in 1981 for R102,000. Preparations are now being made to write off as worthless documentation for a further R200,000.

Such instances may also be observed in respect of certain oblispolkoms. Thus the Alma-Ata Oblispolkom wrote off worthless documentation for R145,000. The Dzhezkazgan Oblispolkom wrote off worthless documentation in 1980 for R43,000 and in 1981 for R105,000.

Thus some thorough work has to be done (primarily by the clients) in the sphere of improving planning-estimates matters.

As is known, construction is a material-intensive sector. For this reason questions of economies and thrift are particularly relevant here. But it is far from everywhere that this work is performed with due persistence. We do not even have to cite figures here. At just about every construction site it is possible to see broken bricks, concrete which was not used in time and which has subsequently been "clamped" to the ground, fixtures which have been thrown under the tracks of vehicles.... Construction and installation organization leaders must put an end to such lax management as quickly as possible.

How to tackle the tasks set the sector? It is primarily necessary to raise the level of planning to a new stage. This is a principal component of the work on refining the economic mechanism. However, the plan is merely the point of departure of any work. "Having made a decision, it is necessary to strive for its unswerving fulfillment within the specified time," L.I. Brezhnev said at the 26th CPSU Congress, "and increased control should help here. And this control must be exercised systematically and promptly and from above and below simultaneously."

Such persistence and such organization of the verification of performance is now the basis of all work.

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Uzbek SSR

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 9, Sep 82 pp 7-12

[Article by K. Akhmedov, deputy chairman of the Uzbek SSR Council of Ministers and chairman of the UzSSR Gosplan: "Strong Bonds of Friendship"]

[Text] Back at the dawn of Soviet power the great Lenin foresaw that the Soviet country "... will stand as a living model before the peoples of all countries, and the propagandist, revolutionizing effect of this model will be gigantic."\* The leader's prophetic words have come true. The indestructible family of fraternal Soviet republics joined together by the Communist Party has been strengthening and flourishing for six decades now. And the burgeoning of the Uzbek SSR is striking confirmation of this.

The path from age-old backwardness to the pinnacles of socioeconomic progress was not easy and straightforward. As is known, tsarism had assigned the economy of prerevolutionary Uzbekistan the role of supplier of agricultural raw material for the industry of the metropolis. Almost 90 percent of the region's population were engaged in agriculture. The best land was owned by the colonialists and bais, who leased plots to the peasants on servitude terms, condemning them to a semistarvation existence. Agricultural work was performed by the most primitive methods. The few industrial enterprises were engaged mainly in the primary processing of cotton.

From the first days of the establishment of Soviet power the party adopted a policy of leading the peoples of Russia's backward national outlying regions as quickly as possible onto the broad path of socialist building. From the moment of the creation of the USSR Uzbekistan's economy began to develop intensively. The central idea of the plan for the building of socialism in our country advanced by Lenin consisted of the creation of a large-scale industry as the material basis of socialism making it possible to organize the economic cooperation of the workers and peasants, link on a single socialist basis machine industry and the revived agriculture and reorganize the production and distribution of physical assets.

The need for accelerated industrialization was particularly urgent under the conditions of Central Asia with its extraordinarily low level of development of the economy, which, in addition, had been almost entirely destroyed as a result of the civil war. It is sufficient to mention that in 1921--on the eve of the formation of the USSR--the number of operating industrial enterprises on the territory of present-day Uzbekistan was little more than 100, and they were all small and of the semi-primitive type, moreover.

The national economy was restored rapidly, and by the end of 1922 even the number of enterprises had increased by one-third, while the manufacture of industrial products had almost tripled.

The 14th All-Russian Communist Party (Bol'sheviks), which has gone down in history as the industrialization congress, advanced and substantiated the far-reaching task of converting our country from an agrarian to an industrial country. Great significance in this connection was attached to the creation of a modern diversified industry in the national republics, and this goal was achieved very quickly. Even in the first five-year plans, prior to the Great Patriotic War, 515 large-scale industrial enterprises, including a number of

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\* V.I. Lenin, "Complete Works," vol 35, p 250.

new sectors, had been built, a power engineering base had been created and a highly skilled detachment of industrial personnel had been formed. The UzSSR was converted from an agrarian into an industrial-kolkhoz republic in which, together with the traditional sectors--cotton-ginning and food--such modern sectors as chemicals and petrochemicals, electric power engineering, nonferrous metallurgy and engineering emerged and were intensively developed.

Today Soviet Uzbekistan is a republic of highly developed industry, intensive agriculture, progressive socialist culture and modern science. Its economy constitutes an important and inalienable part of the country's single national economic complex. Various industrial products are produced by more than 1,300 large-scale plants and factories. The number of workers at industrial enterprises is growing constantly, and industrial production in the current year will exceed the 1922 level by a factor of 434. Today the republic produces aircraft, tractors, excavators, bulldozers, agricultural equipment, elevators, refrigerators, chemical, textile and cotton-ginning equipment, silk and cotton cloth and other first-class products.

A highly mechanized diversified agriculture was created as a result of the implementation of Lenin's cooperative plan. At the most difficult time for the young Country of Soviets--1918--the great Lenin signed the celebrated decree allocating R50 million for irrigation work in Turkestan. This historic document initiated major water-resource construction in our region and a cardinal renewal of the Uzbek countryside. As of today approximately three million hectares of fertile land, which have become the gold reserves of our republic's agriculture, have been developed and irrigated.

The UzSSR is rightly called the "white gold" region--it produces two-thirds of all-union raw cotton production. The production of this most valuable raw material is considered by Uzbekistan's farmers to be their international duty to all the fraternal peoples of the Soviet Union. It is the second year in succession that our cotton growers are confidently passing the 6 million mark, and in the last five-year plan the motherland obtained 28.5 million tons of Uzbek cotton, including almost 1 million tons over and above the plan.

But Uzbek soil is famous for more than just cotton. The republic accounts for up to two-thirds of the all-union production of silkworm cocoons, the entire harvest of bast-fiber crops, over one-third of astrakhan and one-seventh of the rice.

The biggest results of the UzSSR's development in the fraternal family of Soviet peoples are the tremendous achievements of culture and science and the upsurge of the population's well-being. Only half a century ago the literate person was considered a great rarity here. Today Uzbekistan is a region of complete literacy. Approximately half of the republic's entire budget is spent on sociocultural purposes and science. Over 4 million persons are receiving instruction in 9,500 general educational schools, and 43 VUZ's (including three universities) and 227 secondary specialized educational institutions are training over half a million specialists for the national economy.

In the six decades of our Soviet state's existence Uzbekistan has become a major scientific center of Central Asia. The works of the republic's scientists on problems of cotton growing, theoretical and applied mathematics, nuclear physics, electronics, chemistry and genetics have won all-union and world recognition. Literature and art are developing successfully. The republic occupies third place in the country in the manufacture of book products. Some 25 drama and three operatic theaters, three philharmonic societies, 7,000 libraries, 10,000 clubs and film projectors and hundreds of universities of culture are at the service of the working people.

A far-reaching program of a rise in the population's living standard has been implemented: in the last decade its real income per capita increased by a factor of 1.5, the introduction of housing was in excess of 52 million square meters and commodity turnover more than doubled. Particular attention is paid to the development of public health. The republic now has approximately 1,200 hospital establishments, over 3,000 clinics, out-patient departments and advice centers and dozens of sanatoria, recreation homes and holiday hotels. Physical culture and sport are developing rapidly.

The successes which Uzbekistan has scored in communist building and the high rate of socioeconomic development are the result of the selfless labor of the workers, kolkhoz members and toiling intelligentsia of the republic led by the Communist Party and the result of the fraternal assistance and cooperation of all the peoples of our multinational state.

A striking example of strong international friendship is the UzSSR itself--the representatives of 84 nations and nationalities of our boundless country live and work here shoulder to shoulder.

I would like to speak particularly today, on the eve of the glorious jubilee of the USSR, of the friendship of the Soviet peoples, which has been tested in labor and in battle. The brilliant creator of the theory and practice of the equality and friendship of the peoples was V.I. Lenin. And the entire history of our motherland, where the socialist nations emerged, evolved and are flourishing in a single fraternal family, and the history of Soviet Uzbekistan are living testimony to the party's unswerving implementation of Lenin's policy on the national question and Lenin's principles of proletarian internationalism.

Graphic testimony to proletarian internationalism is the gigantic assistance which was rendered Uzbekistan by the fraternal peoples, primarily the great Russian people, in the formation and development of its diversified economy and the training of industrial worker personnel. It is interesting to recall in this connection the history of the development of light industry. In the period of the First Five-Year Plan alone and only for the sectors of light industry it was necessary to train over 19,000 workers of various skills. At the same time the training of personnel of indigenous nationality in the industrial centers of the RSFSR assumed extensive proportions.

A big part in the formation of Uzbekistan's working class was played by the highly skilled specialists and workers from the country's industrially developed cities who came to our republic at the party's appeal. Shock international

brigades were created from them. More than 15,000 persons as a whole, many of whom tied their fate to our region forever and were renowned for selfless labor, were sent to Uzbekistan in the first two five-year plans.

The Soviet peoples' friendship passed with honor a severe test of strength in the Great Patriotic War. Enemy shells did not explode on Uzbek soil and fascist boots did not trample our fields. But the groans of their brothers languishing under the occupiers' yoke echoed with alarm and pain in the hearts of the republic's working people.

From the very first days of the war the Uzbek party organization and its Central Committee became a true combat headquarters of the mobilization of the masses and all forces of the republic for struggle in the name of victory. All enterprises urgently switched to the production of products needed by the front. Plants evacuated from the western parts of the country--more than 90 large-scale industrial enterprises were located in Uzbekistan--were commissioned in an exceptionally short time. Our republic became a major arsenal of the country.

Several divisions were formed in the republic. Uzbek fighting men defended Moscow and Leningrad, smashed the enemy at the Kursk Bulge and at the Dnepr and dealt him the final blow in Berlin.

After the victory over fascist Germany, the Uzbek working people did everything to help the country restore what had been destroyed and heal the wounds inflicted by the war as quickly as possible.

And a quarter of a century later the entire country came to the assistance of our republic.

On 26 April 1966 a strong underground tremor destroyed many thousands of homes and left many inhabitants of Uzbekistan's capital--Tashkent--homeless. Leaders of the Communist Party and the Soviet Government arrived in the city the same day. Addressing a meeting of republic party activists, L.I. Brezhnev, general secretary of the CPSU Central Committee, set forth a precise program of work to remove the consequences of the earthquake. All the fraternal republics expressed a readiness to assist in the restoration of the city.

On 5 May 1966 the first construction workers arrived in Tashkent from Krasnodar and, a day later, from the Ukraine. Construction-installation trains from Moscow and Leningrad, Belorussia and Kazakhstan, Georgia and Azerbaijan, the Baltic and Moldavia and other fraternal republics began to arrive soon after. Over 3 million square meters of housing, dozens of schools and day-care centers and hundreds of construction industry, trade, cultural-everyday, health service and municipal facilities were built in a short time. Splendid new buildings rose up in the place of the old quarters which had been destroyed and a modern, spacious and handsome capital of Soviet Uzbekistan grew in the place of the single-story city. Thus the indestructible friendship of the Soviet peoples, fostered by the party, was embodied in the fate of Tashkent.

The UzSSR working people consider the accomplishment of all-union tasks their vital concern. Production relations are expanding and the republic's contribution

to the all-union division of labor is growing on a scientific basis and in the interests of the whole state.

The chief export items from Uzbekistan to the fraternal union republics are, as already mentioned, products of the cotton complex--cotton fiber, up to 96 per cent of which is dispatched for processing beyond the republic, concentrated feed for animal husbandry--oil cake and oil-seed meal--three-fourths of whose production goes to the fraternal republics, and various industrial products. Together with this there is a growth from year to year in the supplies of products of other sectors: diesel engines and pumps, transformers and compressors, chemical and radio electronic equipment, hard alloys and nonferrous metals, natural gas and others. Among imported products an important place is occupied by machinery and equipment, timber and grain, petroleum products, building materials, a number of consumer goods and meat and fish products.

Today, when large-scale nationwide tasks of communist building are being tackled, the responsibility of each republic in the installation of major national economic facilities is particularly great. A symbol of our heroic times are the words Baykal-Amur Main Railroad, nonchernozem and the West Siberian oil and gas complex. The UzSSR is participating most actively in their construction.

A splendid example of fraternal cooperation are the strengthening ties of Uzbekistan and Kazakhstan. The KaSSR is responsible for up to one-fifth of products imported by Uzbekistan and one-fourth of its exports. We obtain from Kazakhstan chemical products, mineral fertilizers, iron ore and bread and meat commodities and send it electric power and gas, power equipment and cable products, cotton fiber and paper, concentrated feed and nitrogen fertilizers, metal-cutting tools and various food products.

Thus the Soviet fraternity of the peoples--the fraternity in which "the common state interests of the entire Soviet people and the interests of each of its components--all nations and nationalities--are organically combined"\*--is strengthening and developing in concrete deeds. Thus the all-conquering ideas of the Communist Party are becoming a tremendous transforming force.

The 11th Five-Year Plan has revealed magnificent new prospects to our republic, as to all the peoples of the Soviet Union also. Industrial might will strengthen even more, all sectors of the economy will enjoy further proportional development and the working people's material and cultural living standard will rise.

The five-year plan is being implemented successfully. Its first year was marked by major achievements. The plans in industry and agriculture, transport and communications, capital construction and the development of the social sphere were fulfilled and overfulfilled.

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\* Sh.R. Rashidov, "Torzhestvo leninskoy natsional'noy politiki" [Triumph of Lenin's National Policy], izdatel'stvo "Uzbekistan," 1974.



It was with tremendous enthusiasm that the republic's workers heard the news that the UzSSR had been acknowledged a winner in all-union socialist competition for the successful fulfillment of the Plan of the USSR's Economic and Social Development in 1981 and had for the ninth time in succession been awarded the CPSU Central Committee, USSR Council of Ministers, AUCCTU and Komsomol Central Committee Challenge Red Banner.

For successes in the development of the economy our republic has been awarded three orders of Lenin, an Order of the October Revolution and two orders of Friendship of the Peoples.

Socialist competition for a fitting greeting of the 60th anniversary of the USSR has achieved unprecedented intensity at this time. Its impact on economic practice and an upsurge of the labor and political activeness of the masses is more profound than ever. The main task today is to reinforce and develop the successes that have been scored and lay a firm foundation for the fulfillment and overfulfillment of the 11th Five-Year Plan quotas. And its scale and goals are truly far-reaching. New vistas of communist building have been revealed to our republic, as to all the peoples of the Soviet Union.

In the present five-year plan a leading role has been assigned the diversified industry. Its share of Uzbekistan's gross social product will increase in the five-year period from 54.9 percent to 57.7 percent and of the national income from 39 percent to 44 percent. Total industrial production will increase 30 percent, and it is planned to raise the production of producer goods (group "A") to 27.8 percent and consumer goods (group "B") to 36.4 percent here. The preferential rate of the production of consumer goods reflects a most important aspect of party policy aimed at an increase in the people's well-being in every possible way.

A central task of the 11th Five-Year Plan is an increase in the efficiency of social production, a strengthening of the role of intensive factors--the maximum load of production capacity--an increase in the equipment shift-work coefficient, a rise in the quality of manufactured products, the utmost economies in and rational use of material, labor and financial resources and the elimination of losses.

Uzbekistan's agriculture, which is called on to reliably cater for the country's growing need for a most valuable raw material--cotton--and make an impressive contribution to the solution of the Food Program adopted by the CPSU Central Committee May (1982) Plenum, will rise to a qualitatively new level. Indicators of the development of the republic's agrarian-industrial complex, whose task is to provide industry with raw material and the population with food products, have been developed for the first time in the five-year plan as a special section thereof.

The tasks of the accelerated development of the republic's economy being tackled in the 11th Five-Year Plan are subordinated to the main goal--a significant new rise in the working people's material and cultural living standard. The measures which have been planned and which are being implemented successfully in this sphere embrace all aspects--an improvement in everyday and work conditions,



an increase in the consumption of various commodities and an improvement in the structure of the diet, an improvement in housing conditions, medical treatment, social security and others. The population's real income (per capita) will increase 17.7 percent in the five-year period, over 30 million square meters of housing will be commissioned, retail commodity turnover will increase and the network of sociocultural-everyday facilities will be extended.

The arterial path toward reaching the charted frontiers of the economic and social development of the UzSSR, as of all our country's fraternal republics, is consistent implementation of the Communist Party's policy of an unswerving increase in production efficiency and work quality and an all-around improvement in the mechanism of socialist management. The well-known party and government decrees on an improvement in planning serve for us as a profoundly scientific and effective reference point here.

The decisions of the 26th CPSU Congress afford broad scope for the further all-around economic and cultural development of all the union republics and the strengthening of fraternal friendship and the fruitful cooperation of all the peoples of our multinational Soviet state in communist building. The CPSU Central Committee May (1982) Plenum lent invigorating new impetus to the initiative, creativity and profound concern of the masses in the successful accomplishment of the set tasks. All this is creating a reliable basis for the unconditional fulfillment and overfulfillment of the 11th Five-Year Plan quotas and the further growth of each union republic's contribution to the creation of the material-technical base of communism in our country.

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#### Azerbaijan SSR

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 9, Sep 82 pp 12-16

[Article by S. Abbasaliyev, deputy chairman of the Azerbaijan SSR Council of Ministers and chairman of the AzSSR Gosplan: "Republic of Great Potential"]

[Text] Under the Communist Party's leadership Soviet Azerbaijan has in every year of socialist building consistently directed its creative forces toward the accomplishment of the most complex task of the socialist revolution--that of creation.

Important stages of the big path trodden by the republic were industrialization on the latest technical basis, collectivization of agriculture and the strengthening of its material-technical base and truly revolutionary changes in the development of sectors of the production and social infrastructure.

The nucleus of Azerbaijan's economy was and remains industry, which plays an important part in the all-union division of labor. In the years of Soviet power the republic's industry has become a powerful diversified complex which now incorporates such modern sectors as the chemical and petrochemical sectors, ferrous and nonferrous metallurgy, instrument making, the electronics and radio engineering sectors and others, whose products are not only in big demand in our country but which are exported far beyond it.

The appearance of the traditional industrial sectors--the oil-producing, petroleum-refining, engineering and other sectors--which are represented today by modern, technically highly equipped enterprises, has changed radically. There have been fundamental qualitative changes in industry's sectorial structure. Whereas in 1913 the fuel industry's share of the gross product of all industry constituted 80 percent and the share of the sectors determining the rate of scientific-technical progress and expanded social reproduction (electric power engineering, chemicals, petrochemicals and engineering) was at a level of only 4.4 percent, at present the relative significance of the fuel industry, despite an absolute growth in the volume of the sector's production, has declined to 9.4 percent, while the sectors determining the rate of scientific-technical progress have reached almost 28 percent. Industrial production will have increased by a factor of 144 in the 1982 jubilee year compared with 1922.

Profound qualitative and quantitative changes can be seen in the republic's agriculture also. Implementation of Lenin's cooperative plan made it possible to tackle successfully a most difficult task of the socialist revolution--the transition of small property holders' peasant farms to the path of large-scale socialist production. In the years of Soviet power the agricultural gross product has increased almost eightfold compared with the prerevolutionary level, the production of such valuable crops as cotton, grapes, tea and tobacco has grown sharply and the productiveness of animal husbandry has risen considerably.

The successes that have been scored in the development of agriculture are connected primarily with its transition to an industrial footing, an appreciable strengthening of the material-technical base and the implementation of a wide-ranging program of chemicalization and land reclamation. Fixed production capital in agriculture at the start of 1982 had more than tripled compared with January 1970, power capacity had increased by a factor of 2.1 and the power-worker ratio by a factor of 1.5. The kolkhoz and sovkhos machinery-tractor pool was completely replaced, and the level of the mechanization of work in farming and animal husbandry rose.

In the period in question labor productivity in agriculture increased by a factor of 2.1. Last year alone 85 percent of the increase in agricultural output was obtained thanks to an increase in labor productivity in this sector, which was equivalent to a comparative manpower saving of approximately 190,000 men, which constitutes 30 percent of those employed in agriculture.

The process of the industrialization of agriculture has introduced changes to the nature and conditions of agricultural work, brought about the appearance of entirely new occupations and conditioned the need for the training of highly educated skilled personnel and specialists. Approximately 35,000 specialists with higher and secondary specialized education are currently working in the republic's agriculture, and the number of machine-operator personnel has risen to 57,300.

The extension of the process of the specialization and concentration of agricultural production has summoned into being the appearance of new progressive forms of organization and management and the development of integration processes--the creation of agrarian-industrial complexes and associations and the extension of interfarm cooperation.

An important part in the coming into being and development of the economy of the Azerbaijan SSR has been played by transport. It has been developed considerably in the 60 years. The republic currently possesses all types of main-line transport--rail, sea, motor, pipeline and air. Some 188.6 million tons of national economic freight were shipped in 1981.

The successes scored in the development of material production and the nonproduction sphere of Azerbaijan are connected with the implementation of a wide-ranging program of capital construction.

More than R32 billion of capital investments have been channeled into the development of the republic's national economy, over 470 large-scale industrial enterprises have been built and commissioned and a large number of operating works has been expanded, rebuilt and modernized in the years of Soviet power.

This has contributed to the solution of such a major socioeconomic problem of the development of the AzSSR as the accelerated development of its previously economic and culturally backward areas and the smoothing out of the sharp territorial difference in the level of social development which had taken shape. More than 40 new cities, including such strong and rapidly developing industrial centers as Sumgait, Mingechaur, Al-Bayramly, Dashkesan, Siazan' and others, which have introduced considerable changes to the territorial structure of the production forces, which, in turn, has contributed to the strengthening and fuller enlistment of its resources in the economic turnover, have appeared on the map of Azerbaijan.

In the tremendous successes of the AzSSR's socioeconomic development in the 60 years of the USSR's existence an outstanding place is occupied by the 1970's, when under the leadership of the Azerbaijan Communist Party Central Committee changes which were unprecedented in the history of the republic's economy were achieved in the acceleration of the rate of economic growth and social progress. It is sufficient to mention that in the Ninth and 10th five-year plans derived national income more than doubled and the value of the fixed production capital increased by a factor of 1.9. In accordance with the concrete conditions and goals of an increase in the socioeconomic efficiency of the development of the national economic complex, a structural policy was successfully implemented in these years aimed at the priority development of the non-material-intensive sectors and works requiring the application of highly skilled labor. It is significant that in the period 1971-1980 engineering's share of industrial production increased by five points, and in its internal structure the predominant role came to be performed by such labor-intensive subsectors as electronics, electrical engineering and instrument making.

It is important to note that the decisive role in the dynamics of industrial production in the 1970's belonged to intensive factors of growth: an increase in labor productivity, the increased yield of fixed capital and the fuller use of production capacity, which positively influenced the industrial production efficiency indicators. Thus the capital-output ratio in industry in the period 1971-1980 increased by 27.1 percent, including 29.4 percent in chemical and petrochemical industry, 12.7 percent in engineering and 10.3 percent in light industry. In this same period labor productivity in the republic's industry increased 72 percent compared with 56 percent in the country as a whole.

An impressive contribution has been made by the rural workers in ensuring the on-going development of the Azerbaijan economy. The gross agricultural product in the decade doubled. Per capita production in this time also doubled.

The profitability of kolkhoz-sovkhoz production increased by a factor of 1.5 in these years and an additional R2.3 of gross product were obtained in the Ninth Five-Year Plan and R3.1 in the 10th per ruble increase in capital investments. In the 1970's the rate of development of agricultural production in our republic was the highest among the union republics. In these years the relative significance of the republic in the all-union production of the agricultural product doubled. In 1981 Azerbaijan's share of the total increase in the gross agricultural product in the country compared with 1970 constituted 12.3 percent.

A high evaluation of the achievement of the agricultural workers and the work of the republic party organization was made by Comrade L.I. Brezhnev at the CPSU Central Committee November (1981) Plenum: "For two five-year plans now the Azerbaijan working people have achieved the assured growth of the production of all agricultural crops. And this year, despite difficulties with the weather, record harvests of grain, cotton, grapes and vegetables have been gathered."

At the basis of the successes scored in the sphere of implementation of the party's agrarian policy tremendous significance is attached to the great and purposeful organizing work of the republic Communist Party Central Committee on ensuring the utmost intensification of agricultural production, a strengthening of integration processes, an acceleration of the pace of the mechanization, electrification and chemicalization of the sector and the fuller and more efficient use of the most important production resources.

A most important gain of the socialist revolution is the social thrust of the development of the production forces and the evaluation of their ultimate fruitfulness from the standpoint of a rise in the people's living standard. And the entire course of the republic's socioeconomic development in the 60 years of the USSR's existence graphically demonstrates the unswerving and purposeful implementation of this most important principle of the socialist society. A true cultural revolution has been carried through in Soviet Azerbaijan: currently more than 80 percent of the adult population have higher and secondary education, and approximately 110,000 persons, including youth from 67 countries, are being taught in the republic's VUZ's.

Housing construction has assumed huge proportions. Apartment houses with a total area of over 51 million square meters were introduced in the period 1922-1981, and the area of urban housing increased tenfold.

The outstanding successes in socialist building have been evaluated highly by the party and government--the AzSSR has been awarded three orders of Lenin and orders of the October Revolution and the Friendship of the Peoples.

Evaluating the republic's tremendous successes on all fronts of economic and cultural building in the 60 years of the USSR's existence from the height of the frontiers which have been reached, the role here of the fraternal mutual assistance of our country's peoples should be emphasized particularly. It has

been manifested throughout the powerful development of the republic's industrial complex and the fundamental transformation of its agrarian sector.

The high growth rate of the turnover of interrepublic economic relations of the AzSSR (which doubled in the last decade) and, what is most important, the sharp change in their sectorial structure reflecting the deep-lying processes of the change in the specialization of the republic's economy in the country's national economic complex as a consequence of the realization of purposeful structural changes testify to this. The very possibility of the implementation of a regional structural policy whose ultimate goal is the solution of urgent problems of the republic's socioeconomic development graphically characterizes the fraternal mutual assistance of the USSR peoples and confirms the great creative force of Lenin's national policy.

Thousands of threads connect Azerbaijan's economy with each fraternal union republic. At all stages of socialist building we have received in a continuous stream machinery, equipment, metal, foodstuffs and many other products essential for the development of the national economy.

The following indicators attest the high level of development of Azerbaijan's economic relations in the country's national economic complex: approximately 40 percent of the republic economy's material resource requirements is met thanks to imports. In turn, we ship out approximately half the products produced in the republic.

Whereas previously Azerbaijan exported petroleum products and light industry items of a comparatively narrow product list, as its industrial might grew, its contribution to the development of the country's economy also increased sharply. Steel pipes, aluminum, synthetic rubber, synthetic detergents, tires, electric motors, household refrigerators, air conditioners, cloth, factory-made carpets, fermented tobacco, jewelry, agricultural raw material and other products have appeared among the shipments.

The AzSSR's economic relations with Kazakhstan are strengthening from year to year. The volume of commodity turnover between the two republics has now reached more than R500 million. The role of exports from Azerbaijan, which account for more than 60 percent of commodity turnover with the KaSSR, should be emphasized particularly here. Five years ago it stood at the R200 million level, and imports amounted to only R150 million. Consequently, these relations are showing a dynamic tendency toward growth, particularly in exports, whose volume has almost doubled in five years, and the list of commodities in the shipments has lengthened also.

Among the commodities which Azerbaijan supplies to Kazakhstan a large proportion is occupied by products of engineering, chemical, light and food industry, which constitute 90 percent of the entire export of products to the KaSSR.

In imports, just as in exports, a large proportion is occupied by products of chemical and light industry, which account for 50 percent of the industrial products imported from the KaSSR. Certain changes have occurred in the structure of these imports in recent years. We receive agricultural products to



the tune of R30.5 million, oil, which constitutes 25 percent of total shipments from this republic, and so forth.

But Azerbaijan's relations with Kazakhstan are effected in other areas also.

Such industrial giants as the Karaganda Foundry, Sokolovsko-Sarbay Mining-Concentrating and Karatau Chemical works, the Bukhtarminskaya GES, Pavlodar Aluminum Plant and Yermak Ferroalloys Plant are the creation of the collective labor and efforts of all the Soviet republics, including Azerbaijan. Its emissaries participated actively in the restoration and development of the fishing grounds of the Caspian, the construction of the Gur'yev Fish-Canning Works imeni V.I. Lenin and the lifting and development of the virgin and long-fallow land.

The Caspian, which washes the shores of Mangyshlak and Apsheron, symbolizes, as it were, the growing and strengthening friendship of the two fraternal republics. When the question of the organization of the first oilfield in Mangyshlak arose, the party and Komsomol organizations of Baku's old Leninskiy Rayon sent to Kazakhstan their best skilled specialists, who became the basic nucleus of the collective of the first oilfield in Uzen'. Operations for the development of air-lift recovery were performed, in particular, and a test sector for the high-pressure pumping of gas at the 16th horizon for the purpose of its accumulation was created at this deposit.

The stream to Mangyshlak of personnel also increased with the expanded construction and oil production. Some 1,096 persons, of whom 110 were skilled oil workers and 140 engineers and technicians, came from Azerbaijan. The Baku working people sent to Kazakhstan such experience specialists as G. Gadzhiyev, underground well-repair expert, oil production operation D. Mamedov, section chief N. Amirov and many others. Many Azerbaijani specialists now head responsible production sectors.

Baku's petroleum-engineering enterprises provide Mangyshlak with the necessary drilling and oilfield equipment. Thus a large quantity of oil equipment is supplied for the "Mangyshlakneft" oilfields. A particularly big role is performed here by the collectives of the engineering plants imeni Lenin, Kirov, Dzerzhinskiy and Shmidt. The Azerbaijan Pipe-Rolling Plant imeni V.I. Lenin alone sends the Mangyshlak and Gur'yev oil workers approximately 20,000 tons of various-diameter steel pipes annually.

The relations of the two republics are strengthening not only in the sphere of the economy but in the scientific-technical field also and in cultural mutual relations.

For many years scientists of the AzSSR Academy of Sciences have been maintaining scientific relations with the Kazakh Academy of Sciences in the sphere of physico-technical and mathematical, chemical, geological-geographic, biological and social sciences. In the same development of the resources of Mangyshlak a big part has been played by Azerbaijan's scientific research institutes--the "AzNIIburneft" and the Azerbaijan Scientific Research Institute for Oil Production.

Creative relations with Kazakhstan's Turkic scholars, who participate actively in the work of the all-union journal SOVETSKAYA TYURKOLOGIYA, which is published in Baku, are strengthening.

The works of Kazakh writers and poets are published in large editions in Azerbaijan. For example, the novel of the great Kazakh writer M. Auezov, "Abay," and two editions of "Cradle Song" of the Kazakh people's bard-poet Dzhambul Dzhabayev, his collection of poems "Utegen-Batyr" and his books "Stories" and "Amusing Stories". M. Seidzade, G. Gasanzade, E. Sadykhov and other participated in the translations of books of the writers of fraternal Kazakhstan.

Kazakh friends also have repeatedly published many works of Azerbaijan's writers in their own language. Thus the book by the poet Nizami "Leyla and Medzhnun," the novel "Apsheron" by Mekhti Guseyn and his collection "Poems About the World," M. Ibragimov's novel "Day Approaches," E. Mamedkhanly's collection of stories "Crimson Buds" and the "Selected Works" of S. Vurgun have been published in Kazakhstan. Mutual translations of writers' works are enriching and supplementing the literary heritage of the Kazakh and Azerbaijani peoples.

Magnificent new vistas of the economic and cultural relations of the fraternal republics are revealed by the program of our country's economic and social development in the 1980's outlined by the 26th CPSU Congress. The USSR Food Program for the period up to 1990 which was approved by the CPSU Central Committee May (1982) Plenum imparts powerful new impetus to the development of the production forces of all the union republics, which will make successful use of their growing economic potential. This will make it possible to tackle confidently new large-scale tasks for an improvement in the population's provision with food products on the basis of the utmost intensification of the development of agriculture and all sectors of the agrarian-industrial complex. And a dependable guarantee of the successful accomplishment of these magnificent tasks of communist building is the fraternal mutual assistance and strengthening cooperation of the peoples of our multinational motherland.

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